

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on March 12, 2014

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Leju Holdings Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands (State or other jurisdiction of incorporation or organization)	7380 (Primary Standard Industrial Classification Code Number)	Not Applicable (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**Approximate date of commencement of proposed sale to the public:
as soon as practicable after the effective date of this registration statement.**

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price ⁽²⁾⁽³⁾	Amount of registration fee
Ordinary Shares, par value \$0.001 per share ⁽¹⁾	\$200,000,000	\$25,760

- (1) American depositary shares issuable upon deposit of ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents ordinary shares.
- (2) Includes ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These ordinary shares are not being registered for the purpose of sales outside the United States.
- (3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

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

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Dated _____, 2014

American Depositary Shares



Leju Holdings Limited

Representing _____ Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, of Leju Holdings Limited, or Leju.

We are offering _____ ADSs. The selling shareholder identified in this prospectus is offering an additional _____ ADSs. Each ADS represents _____ of our ordinary shares, par value \$0.001 per share. We will not receive any proceeds from the ADSs sold by the selling shareholder.

Prior to this offering, there has been no public market for the ADSs or our ordinary shares. We anticipate that the initial public offering price per ADS will be between \$ _____ and \$ _____. We intend to apply to list the ADSs on The New York Stock Exchange, or the NYSE, under the symbol "LEJU."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements. Following the completion of this offering, we will be a "controlled company" as defined under the Corporate Governance Rules of the NYSE because E-House (China) Holdings Limited, or E-House, will hold _____ % of our then outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option or _____ % of our then outstanding ordinary shares if the underwriters exercise their over-allotment option in full. See "Principal and Selling Shareholders."

Investing in our ADSs involves risks. See "Risk Factors" beginning on page 15.

Neither the United States Securities and Exchange Commission, or the SEC, nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	<u>Per ADS</u>	<u>Total</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discount	\$ _____	\$ _____
Proceeds, before expenses, to Leju	\$ _____	\$ _____
Proceeds, before expenses, to the selling shareholder	\$ _____	\$ _____

The underwriters have an option to purchase up to an additional _____ ADSs from us and up to an additional _____ ADSs from the selling shareholder at the initial public offering price less the underwriting discount to cover over-allotments.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on or about _____, 2014.

Joint Bookrunners

Credit Suisse

J.P. Morgan

China Renaissance

Prospectus dated _____, 2014

TABLE OF CONTENTS

	<u>Page</u>
PROSPECTUS SUMMARY	2
RISK FACTORS	15
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	56
USE OF PROCEEDS	57
DIVIDEND POLICY	58
CAPITALIZATION	59
DILUTION	60
EXCHANGE RATE INFORMATION	62
ENFORCEABILITY OF CIVIL LIABILITIES	63
CORPORATE HISTORY AND STRUCTURE	65
OUR RELATIONSHIP WITH E-HOUSE	68
SELECTED CONSOLIDATED FINANCIAL DATA	72
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	75
INDUSTRY	99
BUSINESS	105
REGULATION	116
MANAGEMENT	127
PRINCIPAL AND SELLING SHAREHOLDERS	135
RELATED PARTY TRANSACTIONS	137
DESCRIPTION OF SHARE CAPITAL	143
DESCRIPTION OF AMERICAN DEPOSITARY SHARES	153
SHARES ELIGIBLE FOR FUTURE SALE	166
TAXATION	168
UNDERWRITING	175
EXPENSES RELATED TO THIS OFFERING	183
LEGAL MATTERS	184
EXPERTS	185
WHERE YOU CAN FIND ADDITIONAL INFORMATION	186
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS	F-1

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the ADSs offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside of the United States.

Until _____, 2014 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk Factors," before deciding whether to buy our ADSs.

Our Business

We are a leading online-to-offline, or O2O, real estate services provider in China. We offer real estate e-commerce, online advertising and online listing services through our online platform, which comprises local websites covering over 250 cities and various mobile applications. We integrate our online platform with complementary offline services to facilitate residential property transactions. In addition to our own websites, we also operate various real estate and home furnishing websites of SINA Corporation, or SINA, and Baidu Inc., or Baidu.

E-Commerce. We offer e-commerce services primarily in connection with new residential property sales. Our O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits and pre-sale customer support. We earn revenue primarily from the sale of discount coupons used for property purchases.

Online Advertising. We sell advertising primarily on the SINA and Baidu new residential properties and home furnishing websites, each of which is operated by us. In addition, we are the exclusive advertising agent for the SINA home page and non-real estate websites with respect to advertising sold to real estate and home furnishing advertisers. We also have the exclusive right to sell Baidu's Brand-Link product for real estate related advertising.

Listing. We offer fee-based online property listing services to real estate agents and free services to individual property sellers. We operate the SINA and Baidu real estate websites for listings of existing residential properties for sale or lease.

We have experienced substantial growth in recent years. Our total revenues have increased from \$137.1 million in 2011 to \$171.3 million in 2012 and to \$335.4 million in 2013. We incurred net losses of \$438.3 million in 2011 and \$43.8 million in 2012 and generated net income of \$42.7 million in 2013. We had adjusted net income of \$11.6 million in 2011, adjusted net loss of \$9.6 million in 2012 and adjusted net income of \$63.4 million in 2013. Substantially all of our operations are in China. For information regarding adjusted net income (loss), see "Summary Consolidated Financial Data—Non-GAAP Financial Measures."

Our Industry

Real estate developers in China increasingly rely on online advertising to gain exposure to consumers. According to iResearch Consulting Group, or iResearch, a third-party market research firm, online advertising spending in China related to the real estate industry grew from approximately RMB0.8 billion in 2009 to RMB3.0 billion in 2012, representing a compound annual growth rate, or CAGR, of 53.6%. Historically, there were limited sources of comprehensive information on China's real estate market conveniently accessible by buyers, developers and other principal industry participants. However, technology is changing the way that consumers search for homes and real estate developers market new projects. Real estate information websites attract developers and sellers to list their properties online to gain maximum exposure to buyers, while buyers and agents are attracted to search for properties on these websites due to the vast amounts of information and services available, complemented by the ability to tailor search preferences.

As internet access and functionality improve, more and more consumers in China are purchasing products and services online. The growing population of paying users and greater spending per paying user in China is expected to drive growth in the e-commerce sector in China from RMB1.9 trillion in 2013 to RMB3.6 trillion in 2016, representing a projected CAGR of 24.8%, according to iResearch. Total online retail gross merchandise value, or GMV, in China as a percentage of total consumer spending in China is estimated to reach 10.8% in 2016 from 7.7% in 2013. In today's market, an effective combination of online information and marketing with strong offline services and transaction support is crucial to a successful e-commerce platform.

O2O real estate services integrate online information and marketing with offline promotion and transaction support. On the online side, O2O real estate services offer a vast amount of internet user information and marketing tools to real estate industry players, while potential buyers have access to accurate property purchasing information and services, benefits such as discounts, and a reliable transaction platform. On the offline side, O2O real estate services include sales of discount coupons to potential property purchasers, co-ordination of property and showroom visits, property inspections and ratings issued by reliable third parties, as well as on-site transaction support.

Competitive Strengths

Our key competitive strengths include the following:

- pioneer in China's O2O real estate services industry;
- comprehensive online real estate platform attracting customers from major internet entry points in China;
- scalable business model with high operating efficiency;
- nationwide geographic coverage with strong local presence, coupled with extensive membership base; and
- experienced and motivated management team.

Our Strategies

We seek to maintain and strengthen our position as a leading O2O real estate services provider in China by pursuing the following strategies:

- continue to innovate through new service offerings;
- expand strategic partnerships with leading internet companies;
- further enhance our mobile applications;
- strategically strengthen our geographic coverage; and
- continue to attract and retain talent.

Our Challenges

Our ability to execute our strategies is subject to risks and uncertainties, including:

- fluctuations in China's real estate market;
- the highly regulated nature of, and government measures affecting, the real estate and internet industries in China;
- our ability to compete successfully against current and future competitors;

- our ability to continue to develop and expand our content, service offerings and features, and to develop or incorporate the technologies that support them;
- our limited operating history and lack of experience as a stand-alone public company, given our recent carve-out from our parent company E-House and prior reliance on E-House for various corporate services;
- our reliance on SINA, Baidu and others with which we have developed, or may develop in the future, strategic partnerships;
- substantial revenue contribution from a limited number of real estate markets, including Beijing, Shanghai, Guangzhou and Tianjin;
- complexities resulting from our ongoing relationships with E-House, such as potential conflicts of interest, less favorable terms in agreements with related parties and lack of control of the outcomes of shareholder actions, due to E-House's controlling ownership in our company;
- effectiveness of our contractual arrangements in providing operational control over our consolidated VIEs in China; and
- our ability to receive distributions from, and to make loans to, and direct investments in, our operating entities in China.

Please see "Risk Factors" and other information included in this prospectus for a discussion of these and other risks and uncertainties that we face.

Corporate History and Structure

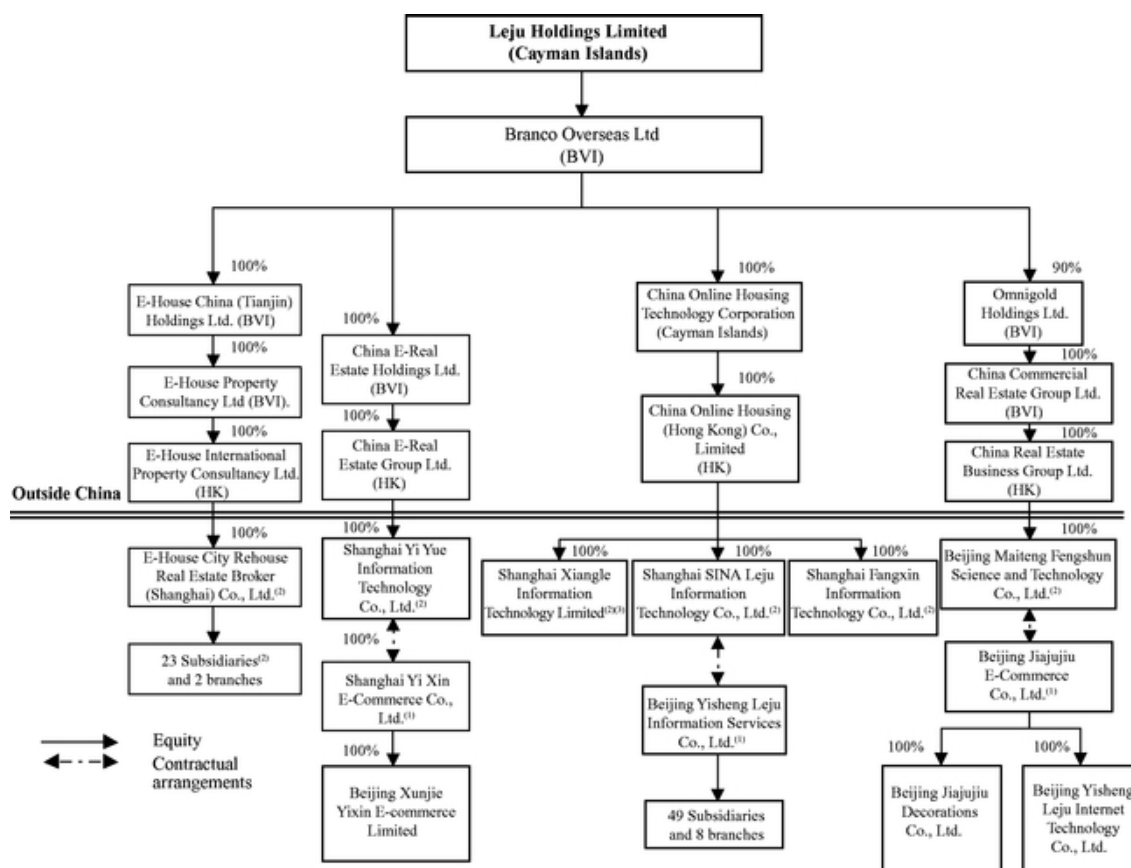
Leju Holdings Limited was incorporated as our holding company in November 2013 by our parent company, E-House, a leading real estate services company in China listed on the NYSE. E-House will remain our parent company and controlling shareholder after this offering. Substantially all of our operations are conducted through the PRC subsidiaries and consolidated VIEs under China Online Housing Technology Corporation, or China Online Housing, Omnigold Holdings Limited, or Omnigold, China E-Real Estate Holdings Limited, or E-Real, and E-House China (Tianjin) Holdings Limited, or E-House Tianjin, each of which became our subsidiary in December 2013 as part of a restructuring by E-House. China Online Housing was incorporated as a joint venture of SINA and E-House in 2008 to operate the SINA real estate and home furnishing websites and related business, including online advertising services. China Online Housing became a consolidated subsidiary of E-House in 2009 and a wholly owned subsidiary of E-House in 2012. Omnigold was incorporated by E-House in October 2010 to operate the home furnishing services business and is currently 90% owned by us. E-Real and E-House Tianjin were incorporated by E-House in June 2011 and March 2012, respectively, and are wholly owned by us. E-Real was incorporated to operate the real estate e-commerce business. E-House Tianjin supports our real estate e-commerce business.

Due to PRC legal restrictions on foreign ownership and investment in the internet information services and advertising businesses, we conduct such activities through contractual arrangements with our consolidated VIEs in China. Our e-commerce business with respect to new residential properties is operated through our contractual arrangements with Shanghai Yi Xin and its shareholders. Our e-commerce business with respect to home furnishing is operated through our contractual arrangements with Beijing Jiajujiu and its shareholders. Our online advertising business for new residential properties websites and our secondary listings business are operated through our contractual arrangements with Beijing Leju and its shareholders. We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective shareholders. These contractual arrangements enable us to (i) direct the activities that most significantly affect the economic performance of Beijing

Leju, Shanghai Yi Xin, Beijing Jiajujiu and their subsidiaries and branches; (ii) receive substantially all of the economic benefits from the three consolidated VIEs and their subsidiaries in consideration for the services provided by our PRC subsidiaries; and (iii) have an exclusive option to purchase all or part of the equity interests in the consolidated VIEs, when and to the extent permitted by PRC law, or request any existing shareholder of the consolidated VIEs to transfer all or part of the equity interest in the consolidated VIEs to another PRC person or entity designated by us at any time in our discretion. These agreements make us their "primary beneficiary for accounting purposes under accounting principles generally accepted in the United States of America, or U.S. GAAP. For descriptions of these contractual arrangements, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)."

As a result of these contractual arrangements, Leju Holdings Limited, through PRC subsidiaries, is the primary beneficiary of these PRC entities and accounts for them as VIEs, and consolidates the financial results of these entities into our financial statements in accordance with U.S. GAAP. If our consolidated VIEs and their shareholders fail to perform their obligations under these contractual arrangements, we could be limited in our ability to exercise effective control over our consolidated VIEs. Further, if we are unable to maintain effective control over our consolidated VIEs, we would not be able to continue to consolidate our consolidated VIEs' financial results in our consolidated financial statements. We rely on dividends and service fees paid to us by our PRC subsidiaries and our consolidated VIEs in China. Entities apart from our consolidated VIEs contributed in aggregate 15.1%, 4.7% and 5.7% of our total net revenues in 2011, 2012 and 2013, respectively. Our operations not conducted through contractual arrangements with the consolidated VIEs primarily consist of outsourcing arrangements business, support services for online advertising business and agency services included with our e-commerce business. In 2011, 2012 and 2013, the total amount of service fees that our PRC subsidiaries received from our consolidated VIEs under all the service agreements between our PRC subsidiaries and consolidated VIEs was \$16.1 million, \$7.6 million and \$24.5 million, respectively. As of December 31, 2013, the amount of service fees payable to us by the consolidated VIEs was \$48.1 million, of which \$22.5 million has been paid to us during the first two months of 2014. We are subject to foreign exchange control restrictions and restrictions on foreign investment into our PRC subsidiaries and consolidated VIEs, and the payment of dividends by our PRC subsidiaries to our Cayman holding company is subject to certain restrictions under the PRC laws and regulations, all of which may restrict our ability to access the revenues and cash of our PRC subsidiaries and consolidated VIEs. For a description of these contractual arrangements and certain related risks, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)" and "Risk Factors—Risks Related to Our Corporate Structure."

The following diagram illustrates our corporate structure, including our principal operating subsidiaries and consolidated VIEs as of the date of this prospectus.



Notes:

- Beijing Yisheng Leju Information Services Co., Ltd., or Beijing Leju, is a VIE established in China in 2008 and is 80% owned by Mr. Xudong Zhu and 20% owned by Mr. Zuyu Ding, and each of Shanghai Yi Xun E-Commerce Co., Ltd., or Shanghai Yi Xun and Beijing Jiajuju E-Commerce Co., Ltd., or Beijing Jiajuju is a VIE established in China in 2011 and is 70% owned by Mr. Zuyu Ding and 30% owned by Mr. Weijie Ma. We effectively control Beijing Leju, Shanghai Yi Xun and Beijing Jiajuju through contractual arrangements. See "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xun and Beijing Jiajuju (the consolidated VIEs)."
- The business scope of each of Shanghai Yi Yue Information Technology Co., Ltd., or Shanghai Yi Yue, Shanghai Xiangle Information Technology Limited, or Shanghai Xiangle, Shanghai SINA Leju Information Technology Co., Ltd., or Shanghai SINA Leju, Shanghai Fangxin Information Technology Co., Ltd., or Shanghai Fangxin, and Beijing Maiteng Fengshun Science and Technology Co., Ltd., or Beijing Maiteng contains the business of development of computer software which falls in the encouraged category for foreign investment in the Foreign Investment Industrial Guidance Catalogue. The business scope of each of E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd., or City Rehouse, and all its subsidiaries contains the business of real estate brokerage service which falls in the restricted category for foreign investment in the Foreign Investment Industrial Guidance Catalogue. The other businesses listed in the business scope of each of Shanghai Yi Yue, Shanghai Xiangle, Shanghai SINA Leju, Shanghai Fangxin, Beijing Maiteng, and City Rehouse and all its subsidiaries are not listed in the Foreign Investment Industrial Guidance Catalogue and thus fall in the permitted category for foreign investment under PRC law.
- We are in the process of deregistering Shanghai Xiangle.

Recent Development

In March 2014, one of our PRC subsidiaries entered into a strategic cooperation agreement with a PRC affiliate of Tencent Holdings Limited, or Tencent, a provider of comprehensive internet services serving the largest online community in China. Pursuant to the strategic cooperation agreement, we and Tencent have agreed to jointly develop software and tools for use on Tencent's social communication platform, including Weixin, to facilitate our opening batches of Weixin public accounts associated with real estate projects. We have agreed to adopt Weixin payment solutions as the default payment method for real estate O2O e-commerce transactions conducted by our users on Weixin. We and Tencent have also agreed to explore and pursue additional opportunities for potential cooperation, including but not limited to cooperation involving Tencent's social communications platform, including Weixin, "QQ" and "mobile QQ"; the social media service, "Tencent Microblog;" the social networking service, "Qzone;" and/or other Tencent internet properties.

Our Relationship with E-House

We are a subsidiary of E-House, which will remain our parent company and controlling shareholder after this offering. E-House first reported its real estate online services business as a separate segment in its annual report on Form 20-F for the year ended December 31, 2009. Prior to this offering, E-House has provided us with accounting, administrative, marketing, internal control, customer service and legal support, and has also provided us with the services of a number of its executives and employees. Upon completion of this offering, E-House will hold _____ % of our then outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option. Upon becoming a stand-alone public company, we will contract with third parties to provide certain services to us associated with our being a public company, the costs of which may be higher than our current cost allocation with E-House for the same services.

We have entered into agreements with E-House with respect to various ongoing relationships between us. These include a master transaction agreement, an offshore transitional services agreement, an onshore transitional services agreement, a non-competition agreement and an onshore cooperation agreement. See "Our Relationship with E-House" and "Risk Factors—Risks Related to Our Carve-out from E-House and Our Relationships with E-House."

Corporate Information

Our principal executive offices are located at 15/F, Beijing Shoudong International Plaza, No. 5 Building, Guangqu Home, Dongcheng District, Beijing 100022, People's Republic of China. Our telephone number at this address is +86 10 5895 1000. Our registered office in the Cayman Islands is located at the offices of Maple Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands. In addition, we have 53 branch offices in mainland China and 1 branch office in Hong Kong.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our main website is *leju.com*. The information contained on our website is not a part of this prospectus. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017.

Conventions that Apply to this Prospectus

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

- "Leju," "we," "us," "our company" and "our" are to Leju Holdings Limited, its subsidiaries and its consolidated VIEs;

- "ADSs" are to our American depositary shares, each of which represents ordinary shares;
- "Beijing Leju" are to Beijing Yisheng Leju Information Services Co., Ltd.;
- "Beijing Jiajujiu" are to Beijing Jiajujiu E-Commerce Co., Ltd.;
- "Beijing Maiteng" are to Beijing Maiteng Fengshun Science and Technology Co., Ltd.;
- "China" or the "PRC" are to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;
- "China Online Housing" are to China Online Housing Technology Corporation;
- "consolidated VIE" are to each of our consolidated variable interest entities, namely each of Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu;
- "CITIC" are to CITIC Bank Corporation Limited;
- "E-House" are to E-House (China) Holdings Limited, a Cayman Islands exempted company with limited liability, and its predecessor entities;
- "O2O services" are to online to offline services, including in connection with the marketing of new residential properties by developers;
- "ordinary shares" prior to the completion of this offering are to our ordinary shares, par value \$0.001 per share;
- "RMB" and "Renminbi" are to the legal currency of China;
- "Shanghai SINA Leju" are to Shanghai SINA Leju Information Technology Co., Ltd.;
- "Shanghai Yi Xin" are to Shanghai Yi Xin E-Commerce Co., Ltd.;
- "Shanghai Yi Yue" are to Shanghai Yi Yue Information Technology Co.,Ltd.; and
- "U.S. dollars," "\$," and "dollars" are to the legal currency of the United States.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their over-allotment option.

The Offering

Offering price We currently estimate that the initial public offering price will be between \$ and \$ per ADS.

ADSs offered by us ADSs (or ADSs if the underwriters exercise their over-allotment option in full).

ADSs offered by the selling shareholder ADSs (or ADSs if the underwriters exercise their over-allotment option in full).

ADSs outstanding immediately after this offering ADSs (or ADSs if the underwriters exercise their over-allotment option in full).

Ordinary shares outstanding immediately after this offering ordinary shares.

The ADSs Each ADS represents ordinary shares, par value \$0.001 per share.

The depositary will hold ordinary shares underlying your ADSs and the depositary or its nominee will actually be the registered owner of the shares. As an ADS holder, you will not have any shareholder rights and your rights will be limited to those of an ADS holder, according to the deposit agreement.

We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares after deducting its fees and expenses in proportion to the number of ordinary shares your ADSs represent, unless the depositary determines in its discretion that it is impractical or unlawful to make a distribution available to any ADS holder. If the depositary determines any dividends or distributions to be not practicable to any specific registered ADS holder, the depositary may choose any method of distribution that it deems practicable for such ADS holder, or the depositary may do nothing, in which case such ADS holder will receive nothing.

As an ADS holder, you will not be able to directly exercise your right to vote with respect to the underlying shares and you must vote by giving the depositary voting instructions. Neither the depositary nor its agents are responsible for any failure to carry out any voting instructions. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you will not have the opportunity to exercise a right to vote.

You may turn in your ADSs to the depositary in exchange for ordinary shares. The depositary will charge you fees for any exchange.

We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.

To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Over-allotment option

We and the selling shareholder have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of _____ additional ADSs.

Use of proceeds

We expect that we will receive net proceeds of approximately \$ _____ million from this offering, assuming an initial public offering price of \$ _____ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

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

- approximately \$ _____ to enhance our technology infrastructure and develop new products and services for our online platform;
- approximately \$ _____ for geographic expansion, including adding new business lines in existing cities and converting outsourced operations to direct operations in select cities; and
- the balance for general corporate purposes, including funding potential acquisitions of complementary businesses and strategic investments, although we are not currently negotiating any such transactions.

See "Use of Proceeds" for more information.

We will not receive any of the proceeds from the sale of ADSs by the selling shareholder.

Lock-up

We, our directors, executive officers and our existing shareholder have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus. See "Shares Eligible for Future Sale" and "Underwriting."

Reserved ADSs

At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of _____ ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed share program.

Listing

We intend to apply to have the ADSs listed on the NYSE under the symbol "LEJU." Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.

Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company, or DTC, on _____, 2014.
Depository	JPMorgan Chase Bank, N.A.

Summary Consolidated Financial Data

The following summary consolidated statements of operations data and summary consolidated statement of cash flow data for the years ended December 31, 2011, 2012 and 2013 and summary consolidated balance sheet data as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. Our summary consolidated financial data also includes certain non-GAAP measures, which are not required by, or presented in accordance with, U.S. GAAP, but are included because we believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	Year Ended December 31,		
	2011	2012	2013
(in thousands of \$, except share and per share data)			
Summary Consolidated Statement of Operations Data			
Revenues			
E-commerce	—	26,996	170,205
Online advertising	132,076	138,767	145,445
Listing	5,015	5,533	19,772
Total revenues	137,091	171,296	335,422
Cost of revenues	(37,583)	(54,118)	(63,991)
Selling, general and administrative expenses	(121,610)	(163,535)	(226,143)
Goodwill impairment charge	(417,822)	—	—
Other operating income	14	153	600
Income (loss) from operations	(439,911)	(46,203)	45,888
Income (loss) before taxes and equity in affiliates	(440,261)	(47,926)	45,785
Net income (loss)	(438,252)	(43,849)	42,650
Net income (loss) attributable to Leju shareholders	(438,831)	(44,759)	42,525
Earnings (loss) per share:			
Basic	(3.66)	(0.37)	0.35
Diluted	(3.66)	(0.37)	0.35
Weighted average numbers of shares used in computation:			
Basic	120,000,000	120,000,000	120,000,000
Diluted	120,000,000	120,000,000	120,000,000

	As of December 31,	
	2012	2013
	(in thousands of \$)	
Summary Consolidated Balance Sheet Data		
Cash and cash equivalents	71,090	98,730
Accounts receivable	86,652	87,316
Total current assets	178,968	222,788
Intangible assets, net	163,204	128,530
Total assets	393,867	402,938
Amounts due to related parties	83,143	4,501
Total current liabilities	159,661	123,584
Total liabilities	200,588	151,148
Total Leju equity	190,173	248,706

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$)		
Summary Consolidated Statement of Cash Flows Data			
Net cash provided by operating activities	11,175	3,325	83,423
Net cash used in investing activities	(26,618)	(18,159)	(16,657)
Net cash provided by (used in) financing activities	26,809	21,504	(41,360)
Net increase in cash and cash equivalents	12,709	6,836	27,639
Cash and cash equivalents at the beginning of the year	51,545	64,254	71,090
Cash and cash equivalents at the end of the year	64,254	71,090	98,730

Non-GAAP Financial Measures

The following table sets forth, for the periods specified, our adjusted income (loss) from operations, our adjusted net income (loss), and our adjusted net income (loss) attributable to Leju shareholders. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. These non-GAAP financial measures enable our management to assess our operating results without considering the impact of non-cash charges, including share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge. We also believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. These non-GAAP measures of our performance are not required by, or presented in accordance with, U.S. GAAP. Such measures are not a measurement of financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to income from operations, net income or any other performance measures derived in accordance with U.S. GAAP or an alternative to cash flows from operating activities as a measure of liquidity. Our presentation of such measures may not be comparable to similarly titled measures presented by other companies. You should not compare such measures as presented by us with the presentation of such measures by other companies because not all companies use the same definition.

We define adjusted income (loss) from operations as income (loss) from operations before share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge.

We define adjusted net income (loss) as net income (loss) before share-based compensation expense (net of tax), amortization of intangible assets resulting from business combinations (net of tax) and goodwill impairment charge (net of tax).

We define adjusted net income (loss) attributable to Leju shareholders as net income (loss) before share-based compensation expense (net of tax and non-controlling interests), amortization of intangible assets resulting from business combinations (net of tax and non-controlling interests) and goodwill impairment charge (net of tax and non-controlling interests).

The use of the above non-GAAP financial measures has material limitations as an analytical tool, as they do not include all items that impact our income (loss) from operations, net income (loss), and net income (loss) attributable to Leju shareholders for the period. We compensate for these limitations by providing the relevant disclosure of our share-based compensation expense, amortization of intangible assets results from business acquisitions, and goodwill impairment charge both in our reconciliations to the financial measures under U.S. GAAP, and in our consolidated financial statements, all of which should be considered when evaluating our performance.

The following table reconciles our adjusted income (loss) from operations, adjusted net income (loss) and adjusted net income (loss) attributable to Leju shareholders in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP:

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$)		
Income (loss) from operations	(439,911)	(46,203)	45,888
Share-based compensation expense ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions	21,321	22,079	22,017
Goodwill impairment charge	417,822	—	—
Adjusted income (loss) from operations	12,774	(8,990)	74,216
Net income (loss)	(438,252)	(43,849)	42,650
Share-based compensation expense (net of tax) ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions (net of tax)	18,535	19,082	14,482
Goodwill impairment charge (net of tax)	417,822	—	—
Adjusted net income (loss)	11,647	(9,633)	63,443
Net income (loss) attributable to Leju shareholders	(438,831)	(44,759)	42,525
Share-based compensation expense (net of tax and non-controlling interests) ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions (net of tax and non-controlling interests)	18,342	18,719	14,197
Goodwill impairment charge (net of tax and non-controlling interests)	417,822	—	—
Adjusted net income (loss) attributable to Leju shareholders	10,875	(10,906)	63,033

(1) Share-based compensation expense includes share-based compensation expenses recorded by us as well as share-based compensation expenses allocated from E-House to us.

RISK FACTORS

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

Risks Related to Our Business

Our business is susceptible to fluctuations in China's real estate industry, which may materially and adversely affect our results of operations.

We conduct our real estate services business primarily in China. Our business depends substantially on conditions in China's real estate industry and more particularly on the volume of new property transactions in China. Demand for private residential real estate in China has grown rapidly in recent years but such growth is often coupled with volatility and fluctuations in real estate transaction volume and prices. Fluctuations of supply and demand in China's real estate industry are caused by economic, social, political and other factors. For example, the announcement and implementation of restrictive measures in early 2011, combined with further credit tightening, resulted in a severe downturn in the real estate industry with a fall in overall transaction volume in many major cities in 2011 and 2012. In its continuing efforts to control real estate prices, the PRC government released further restrictive policies in 2012 and early 2013. These measures have affected and continue to affect the growth of China's real estate market. See "*Our business may be materially and adversely affected by government measures aimed at China's real estate industry.*" Furthermore, there may be situations in which China's real estate industry is so active that real estate developers see a reduced need for marketing initiatives and reduce their spending on such initiatives, which could potentially adversely affect our result of operations. To the extent fluctuations in China's real estate industry adversely affect spending on real estate marketing, our financial condition and results of operations may be materially and adversely affected.

Our business may be materially and adversely affected by government measures aimed at China's real estate industry.

The real estate industry in China is subject to government regulations, including measures that are intended to control real estate prices.

Since January 2011, PRC government agencies have issued a number of rules to cool down the real estate market, which include:

- minimum down payments for the first self-use housing unit purchased by a family with a gross construction area of more than 90 square meters must be no less than 30% of the purchase price;
- minimum down payments for the second housing unit purchased by a family was increased from 40% to 50%, and then further increased to 60%, and the loan interest rate must be no less than 110% of benchmark lending interest rate;
- all municipalities directly under the central government, all provincial capitals and other cities where the local housing prices are deemed to be too high or to have risen too fast, are required to temporarily suspend the sale of housing units to families with registered local permanent residences that already own two or more housing units, families without registered local permanent residences that already own one or more housing units, and families without registered local permanent residences that cannot provide evidence of their local payment of taxes or social insurance premiums for a required period;

- business tax is imposed and calculated on the full sales revenues for the sale of all housing units held for less than five years, and on the difference between the sales revenues and the amount paid for the housing unit for the sale of non-ordinary housing units which were purchased five or more years ago;
- real estate property tax pilot projects were launched in Shanghai and Chongqing. Local regulations require a real property tax to be imposed on certain local housing units purchased on or after January 28, 2011, at a current tax rate of 0.6% in Shanghai and at a tax rate ranging from 0.5% to 1.2% in Chongqing; and
- governments of most major cities are required to set up and make public their target for controlling the price of local, newly built, residential housing units for the current year within the first season. Accordingly, many cities, including Shanghai, Beijing, Chongqing and Shenzhen, have started such exercise to announce their respective price control targets for each year since 2011.

In late February and March 2013, the PRC government issued the "New Five Policies" for administration of the housing market and detailed implementation rules, which revealed the PRC government's strong determination to curb the increase of housing prices by requiring more stringent implementation of housing price control measures. For example, in cities where housing unit sales have already been subject to restrictions, if the local housing supply is not sufficient so that the housing prices are rising too fast, local governments are required to take more stringent measures to restrict housing units from being sold to those families who own one or more housing units. In cities where the housing prices are rising too fast, the minimum down payment for the second housing unit purchased by a family may be further increased from 60% and the loan interest rate may be raised to be more than 110% of benchmark lending interest rate, as the local housing price control measures require. Following the request of the central government, Beijing, Shanghai and other major cities in China have announced detailed regulations for the New Five Policies in late March 2013, to further cool down local real estate markets. Such measures and policies by the government have caused a reduction in transactions in the real estate market. While these measures and policies remain in effect, they may continue to depress the real estate market, dissuade would-be purchasers from making purchases, reduce transaction volume, cause a decline in average selling prices, and prevent developers from raising the capital they need and increase developers' costs to start new projects.

In addition, we cannot assure you that the PRC government will not adopt new measures in the future that may result in lower growth rates in the real estate industry. Frequent changes in government policies may also create uncertainty that could discourage investment in real estate. Our business may be materially and adversely affected as a result of decreased transaction volumes or real estate prices that may result from government policies.

We may fail to compete effectively, which could significantly reduce our market share and materially and adversely affect our business, financial condition and results of operations.

We face competition in each of our primary business activities. Our primary competitor at the national level is *soufun.com*. Other competitors at the national level include Sohu.com Inc.'s subsidiary, *focus.cn*. In addition, we have faced and may continue to face competition from regionally focused websites providing regional real estate listings together with localized services. We have various regional competitors, such as *house365.com* in the Nanjing market, and we compete with various providers in the market for paid online property listings, including *anjike.com*. Our competitors may have more established brand names, larger visitor numbers and more extensive distribution channels than we do, either overall, or in specific regions in which we operate.

The business of providing online real estate services in China is becoming increasingly competitive. The barriers to entry for establishing internet-based businesses are low, thereby allowing new entrants

to emerge rapidly. As the online real estate services industry in China is relatively new and constantly evolving, our current or future competitors may be able to better position themselves to compete as the industry matures.

We also face competition from companies in other media that offer e-commerce, advertising, listing and similar services. Any of these competitors may offer products and services that provide significant advantages over those offered by us in terms of performance, price, scope, creativity or other advantages. These products and services may achieve greater market acceptance than our service offerings, and thus weaken our brand. Increased competition in the online real estate services industry in China could make it difficult for us to retain existing customers and attract new customers, and could lead to a reduction in our revenues.

Any of our current or future competitors may also receive investments from or enter into other commercial or strategic relationships with larger, well-established and well-financed companies and obtain significantly greater financial, marketing and content licensing and development resources than us. Furthermore, some of our competitors receive support from local governments, which may place us at a disadvantage when competing with them in their local markets. We cannot assure you that we will be able to compete successfully against our current or future competitors. Any failure to compete effectively in the real estate internet services market in China would have a material adverse effect on our business, financial condition and results of operations.

Failure to continue to develop and expand our content, service offerings and features, and to develop or incorporate the technologies that support them, could jeopardize our competitive position.

As a company providing online services, we participate in an industry characterized by rapidly changing technology and new products and services. We rely in part on attracting customers to our platform by providing attractive and helpful content and tools on our websites to assist customers seeking to purchase residential properties and home furnishings. In addition, our ability to continue to generate and maintain online advertising service revenues depends on our ability to innovate. To remain competitive, we must continue to develop and expand our content and service offerings. We must also continue to enhance and improve the user interface, functionality and features of our websites. These efforts may require us to develop internally, or to license, increasingly complex technologies. In addition, many of our competitors are continually introducing new internet-related products, services and technologies, which will require us to update or modify our own technology to keep pace. New internet-related products, services and technologies developed by competitors could render our products and services obsolete if we are unable to update or modify our own technology. Developing and integrating new products, services and technologies into our existing businesses could be expensive and time-consuming. Furthermore, such new features, functions and services may not achieve market acceptance or serve to enhance our brand loyalty. We may not succeed in incorporating new internet technologies, or, in order to do so, we may incur substantial expenses. If we fail to develop and introduce or acquire new features, functions, services or technologies effectively and on a timely basis, we may not continue to attract new users and may be unable to retain our existing users. If we are not successful in incorporating new internet technologies, our business, results of operations and growth prospects could be materially and adversely affected.

Failure to attract and retain qualified personnel at a reasonable cost could jeopardize our competitive position.

As our industry is characterized by high demand and intense competition for talent, we may need to offer higher compensation and other benefits in order to attract and retain quality sales, technical and other operational personnel in the future. We compete with other companies engaged in online real estate services and internet-related businesses and with print media for qualified personnel. We have, from time to time in the past, experienced, and we expect in the future to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. There may be

a limited supply of qualified individuals in some of the cities in China where we have operations and other cities into which we intend to expand. We must hire and train qualified managerial and other employees on a timely basis to keep pace with our rapid growth while maintaining consistent quality of services across our operations in various geographic locations. We must also provide continued training to our managerial and other employees so that they are equipped with up-to-date knowledge of various aspects of our operations and can meet our demand for high-quality services. If we fail to do so, the quality of our services may decline in one or more of the markets where we operate, which in turn, may cause a negative perception of our brand and adversely affect our business. We cannot assure you we will be able to attract or retain the quality personnel that we need to achieve our business objectives.

In addition, we place substantial reliance on the real estate industry experience and knowledge of our senior management team as well as their relationships with other industry participants. For example, Mr. Xin Zhou, our chairman, and Mr. Yinyu He, our chief executive officer, are both particularly important to our future success. We do not carry key person insurance on any member of our senior management team. The loss of one or more members of our senior management team could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements for our current senior management could be difficult as competition for such talent is intense.

If we fail to successfully attract new personnel, retain and motivate our current personnel, or retain our senior management, we may lose competitiveness and our business and results of operations could be materially and adversely affected.

Our business faces risks associated with the application of the e-commerce business model to the real estate industry and our new products and services may not perform as expected.

Our e-commerce business was established in 2011 and became an integral part of our online real estate service operations following its rapid growth in 2012 and 2013. The business of providing these e-commerce services is still relatively new and evolving, and its growth depends on our ability to manage it effectively. Although we generally have been able to maintain contractual arrangements with third-party property developers who allow us to sell discount coupons to prospective real estate purchasers on acceptable terms, there can be no assurance that we will continue to be able to do so in the future. Customer complaints or negative publicity about our services could diminish consumer confidence in and use of our services.

We may also explore new real estate e-commerce products and these new products may involve various risks. For example, in November 2013, CITIC introduced Leju Loan through our online platform, which is an innovative financial product that aims to provide added liquidity and improve the overall purchasing power of home purchasers. This product may subject us to risks associated with China's financial services sector, in addition to typical risks related to new product launches. Pursuant to the Notice on Issues concerning the Improvement of Differential Housing Credit Policies jointly promulgated by the People's Bank of China and China Banking Regulatory Commission in September 2010, all commercial banks in China have compliance obligations under the regulation to strengthen the management of consumption loans, and prohibit such loans from being used for purchasing houses. Although the Leju Loan product was introduced through our online platform to facilitate the loan application process, since the loans for this product are funded and provided by CITIC, CITIC has the obligation to comply with the relevant regulations of China's financial services sector relating to such loans. We believe we are not subject to such regulations in connection with our role for the Leju Loan product. However, if the relevant PRC regulatory authorities find that CITIC's provision of loans for the Leju Loan product does not comply with the relevant regulations, they may require CITIC to discontinue or restrict the loans provided by it, which may materially and adversely impact our ability to offer the Leju Loan product. Furthermore, there can be no assurance that our Leju Loan product

will perform as expected or be well received by customers, or that we will be able to maintain our strategic venture with CITIC. We may face similar challenges for any other new initiatives we pursue in the future. Any of the foregoing could materially and adversely affect our business, results of operations and revenue growth prospects.

We derive a significant amount of revenue from our operation of SINA websites and there can be no assurance that our relationship with SINA will continue on satisfactory terms.

Through an agreement in 2009 entered into between SINA and E-House, our parent company, we own SINA's real estate operations. SINA is a substantial shareholder in E-House, our parent company. To a large extent, the operations and revenues of our business rely on SINA's cooperation with us. The domain names of some major websites of our business are owned by SINA and licensed to us through agreements which we initially entered into with SINA in 2009 with terms through 2019 and which we recently amended and restated to extend through 2024. A significant number of users of these websites are linked through other SINA websites. Pursuant to an advertising inventory agency agreement with SINA, we are the exclusive agent of SINA for selling advertising to the real estate advertisers through 2024. To a certain extent, we rely on SINA's continued cooperation on an ongoing basis to enjoy our rights pursuant to our agreements with SINA. SINA could at any time reduce its support for our business. In addition, SINA's dual role as our substantial indirect shareholder and contractual counterparty could result in conflicts of interest. If for any reason SINA does not fulfill its obligations in accordance with the advertising inventory agency agreement or any of the other agreements or otherwise reduces its support for our online real estate operations, our business may be materially and adversely affected.

If we fail to maintain our relationship with Baidu, our business and results of operations could be materially and adversely affected.

We are the exclusive real property advertising partner of Baidu, China's leading search engine platform. In August 2010, we launched Baidu's real estate website, *house.baidu.com*, and home furnishing website, *jiaju.baidu.com*, to offer search-based advertising for China's real estate industry. Pursuant to our strategic cooperation agreement with Baidu, we have the exclusive right, through March 2015, to build and operate all of Baidu's websites related to real estate and home furnishing, and to retain all revenues generated from these websites in exchange for a fixed fee that we pay to Baidu. In August 2011, we expanded our strategic partnership with Baidu, pursuant to which we are now Baidu's premier strategic online real estate partner and we obtained the exclusive right, through March 2015, to sell Baidu's real estate Brand-Link product, a form of keyword advertising. In addition, we and Baidu have also continued our cooperation in several other Baidu products to further expand the online search-based advertising market for China's real estate industry. If we are unable to renew our agreements with Baidu when they expire on favorable terms, or at all, or if Baidu reduces or terminates its support for, or cooperation with respect to, our real estate online operations, our business may be materially and adversely affected.

We derive a substantial portion of our revenues from several major urban centers in China, and we face market risk due to our concentration in these major urban areas.

We derive a substantial portion of our revenues from several major urban centers in China, including Beijing, Shanghai, Guangzhou and Tianjin. In each of the years ended December 31, 2011, 2012 and 2013, a majority of our revenues was derived from Beijing, Shanghai, Guangzhou and Tianjin, and more than one third of our total revenues were derived from Beijing. We expect these four urban centers to continue to be important sources of revenues. If any of these major urban centers experiences an event that negatively impacts the local real estate industry or online advertising, such as a serious economic downturn or contraction, a natural disaster, or slower growth due to adverse

governmental policies or otherwise, demand for our services could decline significantly and our business and growth prospects could be materially and adversely impacted.

A severe or prolonged downturn in the global or PRC economy could materially and adversely affect our business and our financial condition.

The global financial markets experienced significant disruptions in 2008 and the United States, Europe and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and continues to face challenges, including the escalation of the European sovereign debt crisis since 2011 and the slowdown of China's economy in 2012 and 2013. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies. There are also ongoing concerns over unrest in the Middle East and Africa, which could negatively impact China's economy in numerous ways. Any severe or prolonged slowdown in China's economy may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

Failure to maintain or enhance our brands or image or failure of SINA or Baidu to maintain their respective brands or images could have a material and adverse effect on our business and results of operations.

We believe the "Leju" brand is associated with a leading real estate online platform in China and they are important for the continued success of our business. The success of the websites we operate on the platforms of SINA and Baidu is also dependent on the respective brands and images of SINA and Baidu. These brands are integral to our sales and marketing efforts. Our continued success in maintaining and enhancing our brands and image depends to a large extent on our ability to satisfy customer needs by further developing and maintaining quality of services across our operations, as well as our ability to respond to competitive pressures.

We may not be able to successfully execute our strategy of strengthening our geographic coverage.

We plan to further enhance our presence in cities covered by our direct operations, especially provincial capitals and other strategically important urban areas, to capture real estate service demand in such markets. In addition, we intend to expand our business by operating directly in select cities where we currently outsource operations to local outsourcing partners. There have been instances in the past when, upon our decision to directly operate a website that we had previously outsourced to a third party, the third party failed to pay all or a portion of the fixed fees owed to us under the outsourcing arrangement. There can be no assurance that the costs of implementing our strategy, whether due to uncollected fees or otherwise, will not be substantial. Furthermore, when we attempt to enhance our presence in markets or enter new markets, we may face intense competition from companies with greater experience or a more established presence in the targeted geographical areas or from other companies with similar expansion targets. In addition, our business model and services may not be successful in untested markets and markets with a different legal and business environment. If we are unable to execute our strategy of strengthening our geographic coverage, our growth prospects could be materially and adversely affected.

If we cannot manage our growth effectively and efficiently, our results of operations or profitability could be adversely affected.

We have experienced substantial growth in recent periods. Our revenues increased 95.8% to \$335.4 million in 2013 from \$171.3 million in 2012. We intend to continue to expand our operations. This expansion has placed, and will continue to place, substantial demands on our managerial, operational, technological and other resources. Our planned expansion will also place significant

demands on us to maintain the quality of our services. In order to manage and support our growth, we must continue to improve our existing operational, administrative and technological systems and our financial and management controls, and recruit, train and retain additional qualified real estate service professionals as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. We may not be able to effectively and efficiently manage the growth of our operations, recruit and retain qualified personnel and integrate new expansion into our operations. As a result, our quality of service may deteriorate and our results of operations or profitability could be adversely affected.

Our results of operations may fluctuate or otherwise be materially and adversely affected due to seasonal variations.

Our operating income and earnings have historically been substantially lower during the first quarter than other quarters. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced real estate transactions, advertising and marketing activities of our customers in the PRC real estate industry during and around the Chinese Lunar New Year holiday, which generally occurs in January or February of each year and due to the cold winter weather in northern China. In contrast, the third and fourth quarters of each year generally contribute a larger portion of our annual revenues due to increased real estate transactions, advertising and marketing activities during the months of September and October. For this reason, our results of operations may not be comparable from quarter to quarter.

Unexpected network interruptions or security breaches, including "hacking" or computer virus attacks, may cause delays or interruptions of service, resulting in reduced use and performance of our websites and damage our reputation and brands.

Our business depends heavily on the performance and reliability of China's internet infrastructure, the continued accessibility of bandwidth and servers on our service providers' networks and the continuing performance, reliability and availability of our technology platform. Any failure to maintain the satisfactory performance, reliability, security and availability of our computer and hardware systems may cause significant harm to our reputation and our ability to attract and maintain customers and visitor traffic. Major risks related to our network infrastructure include:

- any breakdown or system failure resulting in a sustained shutdown of our servers, including failures which may be attributable to sustained power shutdowns, or efforts to gain unauthorized access to our systems causing loss or corruption of data or malfunctions of software or hardware;
- any disruption or failure in the national backbone network, which would prevent our customers and users from accessing our websites;
- any damage from fire, flood, earthquake and other natural disasters; and
- computer viruses, hackings and similar events.

Computer viruses and hackings may cause delays or other service interruptions and could result in significant damage to our hardware, software systems and databases, disruptions to our business activities, such as to our e-mail and other communication systems, breaches of security and inadvertent disclosure of confidential or sensitive information, inadvertent transmissions of computer viruses and interruptions of access to our websites through the use of denial-of-service or similar attacks. In addition, the inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability. We maintain most of our servers and backup servers in Beijing, Shanghai, Guangzhou and Tianjin, and all information on our websites is backed up weekly. Any hacking, security breach or other system disruption or failure that occurs in between our weekly backup procedures could disrupt our business or cause us to lose, and be unable to recover, data such as real estate listings, contact information and other important customer information.

Ensuring secured transmission of confidential information through public networks is essential to maintaining the confidence of our customers and users. Our existing security measures may not be adequate to protect such confidential information. In addition, computer and network systems are susceptible to breaches by computer hackers. Security breaches could expose us to litigation and potential liability for failing to secure confidential customer information, and could harm our reputation and reduce our ability to attract customers and users. Future security breaches, if any, may result in a material adverse effect on our business, financial condition and results of operations.

We also do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance. Moreover, the low coverage limits of our property insurance policies may not be adequate to compensate us for all losses, particularly with respect to any loss of business and reputation that may occur. To improve our performance and to prevent disruption of our services, we may have to make substantial investments to deploy additional servers or create one or more copies of our websites to mirror our online resources, either of which could increase our expenses and reduce our net income.

Any failure to protect our trademarks, copyrights and other intellectual property rights could have a negative impact on our business.

We believe our trademarks, copyrights and other intellectual property rights are critical to our success. Any unauthorized use of our trademarks and other intellectual property rights could harm our business. Historically, China's track record for protection of intellectual property rights has been poor, and infringement of intellectual property rights continues to pose a serious risk of doing business in China. Monitoring and preventing unauthorized use is difficult and the measures we take to protect our intellectual property rights may not be adequate. For example, we currently have registered the software copyrights of all our mobile applications except "Fang Niu Jia," of which we expect to register the software copyright during 2014. While we do not envision any difficulty in registering the software copyright of "Fang Niu Jia," and software copyrights are still enforceable absent registration in China, registration by itself may not be adequate protection from potential misuse, infringement or other challenges from third parties claiming rights on our intellectual property.

Furthermore, the application of laws governing intellectual property rights in China and abroad is uncertain and evolving, and could expose us to risks. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially. We typically impose contractual obligations on employees and consultants and have taken other precautionary measures to maintain the confidentiality of our proprietary information and restricted the use of the proprietary information other than for our company's benefit. However, if our employees and consultants do not honor their contractual obligations or misappropriate our database and other proprietary information, our business would suffer as a result.

As internet domain name rights are not rigorously regulated or enforced in China, other companies have incorporated in their domain names elements similar in writing or pronunciation to the "Leju" trademark or its Chinese equivalent. This may result in confusion between those companies and our company and may lead to the dilution of our brand value, which could adversely affect our business.

We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business.

Some of our competitors may own copyrights, trademarks, trade secrets and internet content, which they may use to assert claims against us. We provide training to our staff with respect to procedures designed to reduce the likelihood that we may use, develop or make available any content or applications without the proper licenses or necessary third party consents. However, these

procedures may not be effective in completely preventing the unauthorized posting or use of copyrighted material or the infringement of other rights of third parties.

The validity, enforceability and scope of protection of intellectual property rights in internet-related industries, particularly in China, is uncertain and still evolving. For example, as we face increasing competition and as litigation becomes a more common way to resolve disputes in China, we face a higher risk of being the subject of intellectual property infringement claims. Pursuant to relevant laws and regulations, internet service providers may be held liable for damages if such providers have reason to know that the works uploaded or linked infringe the copyrights of others. In cases involving the unauthorized posting of copyrighted content by users on websites in China, there have been court proceedings but no settled court practice as to when and how hosting providers and administrators of a website can be held liable for the unauthorized posting by third parties of copyrighted material. Any such proceeding could result in significant costs to us and divert our management's time and attention from the operation of our business, as well as potentially adversely impact our reputation, even if we are ultimately absolved of all liability.

In addition, we cannot assure you that we will not become subject to intellectual property laws in other jurisdictions, such as the United States, by virtue of our ADSs being listed on the NYSE, the ability of users to access, download and use our products and services in the United States and other jurisdictions, the ownership of our ADSs by investors in the United States and other jurisdictions, or the extraterritorial application of foreign law by foreign courts or otherwise, among other reasons. If a claim of infringement brought against us in the United States or other jurisdictions is successful, we may be required to pay substantial penalties or other damages and fines, remove relevant content or enter into license agreements which may not be available on commercially reasonable terms or at all. Even though the allegations or claims could be baseless, defense against any of these allegations or claims would be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

Regulation of the internet industry in China, including censorship of information distributed over the internet, may materially and adversely affect our business.

China has enacted laws, rules and regulations governing internet access and the distribution of news, information or other content, as well as products and services, through the internet. In the past, the PRC government has prohibited the distribution of information through the internet that it deems to be in violation of applicable PRC laws, rules and regulations. In particular, under regulations promulgated by the State Council, the Ministry of Industry and Information Technology (formerly the Ministry of Information Industry), or MIIT, the General Administration of Press, Publication, Radio, Film and Television (established in March 2013 as a result of institutional reform integrating the former State Administration of Radio, Film and Television, and the former General Administration of Press and Publication), or GAPPRT, and the Ministry of Culture, internet content providers and internet publishers are prohibited from posting or displaying content over the internet that, among other things: (i) opposes the fundamental principles of the PRC constitution; (ii) compromises state security, divulges state secrets, subverts state power or damages national unity; (iii) disseminates rumors, disturbs social order or disrupts social stability; (iv) propagates obscenity, pornography, gambling, violence, murder or fear or incites the commission of crimes; or (v) insults or slanders a third party or infringes upon the lawful right of a third party.

If any internet content we offer or will offer through our consolidated VIEs were deemed by the PRC government to violate any of such content restrictions, we would not be able to continue such offerings and could be subject to penalties, including confiscation of illegal revenues, fines, suspension of business and revocation of required licenses, which could have a material adverse effect on our business, financial condition and results of operations. We may also be subject to potential liability for any unlawful actions of our customers or affiliates or for content we distribute that is deemed

inappropriate. It may be difficult to determine the type of content that may result in liability to us, and if we are found to be liable, we may be forced to cease operation of our websites in China.

If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions.

The internet and online advertising industries in China are highly regulated by the PRC government. Various regulatory authorities of the PRC government, such as the State Council, MIIT, the State Administration of Industry and Commerce, or SAIC, the General Administration of Press, Publication, Radio, Film and Television, and the Ministry of Public Security, are empowered to issue and implement regulations governing various aspects of the internet and advertising industries. Moreover, new laws, rules and regulations may be adopted, or new interpretations of existing laws, rules and regulations may be released, to address issues that arise from time to time. As a result, substantial uncertainties exist regarding the interpretation and implementation of any current and future PRC laws, rules and regulations applicable to the internet and online advertising industries.

Each of our consolidated VIEs, including Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, as well as their respective subsidiaries, is required to obtain and maintain a value-added telecommunications service operating License, or ICP License, from MIIT or its local counterpart in order to provide internet information services and a business license from SAIC or its local branches which specifically includes operating advertising business in order to engage in advertising activities in China, to the extent applicable to their respective business. Each of our consolidated VIEs is up to date on all of the requirements of these licenses applicable to their respective current business. Beijing Leju, Shanghai Yi Xin and Beijing Yisheng Leju Internet Technology Co., Ltd., a subsidiary of our consolidated VIE Beijing Jiajujiu, each holds a valid ICP license issued by the local provincial branch of MIIT, and the business scope of the business licenses of Beijing Leju and its subsidiaries which engage in the advertising business includes operating advertising business. These licenses are essential to the operation of our online real estate business. The ICP licenses are subject to annual review by the relevant government authorities. The annual review of ICP licenses and business licenses is for the government authorities to conduct an annual inspection of the status of compliance of the license-holding entity. At the time of and for the purpose of the annual review of these licenses, the relevant government authorities did not ask for disclosure of our full corporate structure and thus we did not provide such information. They have not so far expressed any opinion with respect to our corporate structure in connection with these annual reviews. Moreover, the regulations relating to ICP licenses also provide that an ICP license holder must first obtain approvals from, or make filings with, competent counterparts of MIIT in connection with subsequent updates to its shareholding structure or certain other matters relating to such ICP license holder. We cannot assure you that we will be able to successfully pass the annual review of our ICP licenses, or complete the updating and renewal of the filing records of our ICP licenses with local MIIT counterparts on a timely basis.

In addition, Beijing Leju, Shanghai Yi Xin and/or Beijing Jiajujiu and their respective subsidiaries may be required to obtain additional licenses. For example, the release, broadcasting and transmission of graphics, video and audio programs or weblinks to such programs, other websites or data on the websites may be deemed as providing internet publication services as well as transmission of video and audio programs on the internet, which could require internet publication licenses and licenses for online transmission of audio-visual programs. During operation of our e-commerce business, we post information, including graphics, weblinks to videos, other websites or data on websites operated by us. Our consolidated VIEs and their subsidiaries do not have internet publication licenses and licenses for online transmission of audio-visual programs, and are not applying for, nor intend to apply for these licenses. For those video/audio programs and certain other forms of content that we believe are subject to the requirements of these licenses, such programs and content are hosted by SINA and Baidu, who possess all these licenses and permits, through our contractual arrangement with them. However, we cannot assure you that government would not require us to obtain these licenses separately for

operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content may be provided by a qualified third party like SINA and Baidu. If we are required to apply for such licenses, we can provide no assurance that we will procure and maintain such additional licenses.

Under applicable PRC laws, rules and regulations, the failure to obtain and/or maintain the licenses and permits required to conduct our business may subject our affected consolidated VIEs to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on their business operations, or the discontinuation of their operations. Any such disruption in the business operations of our consolidated VIEs could materially and adversely affect our business, financial condition and results of operations.

We are exposed to potential liability for information on our websites and for products and services sold over the internet and we may incur significant costs and damage to our reputation as a result of defending against such potential liability and could be subject to penalties or other severe consequences from PRC regulatory authorities as a result of such information.

We provide third-party content on our websites such as real estate listings, links to third-party websites, advertisements and content provided by customers and users of our community-oriented services. In addition, our website, *jiaju.com*, is a platform for third party home furnishing distributors to offer their products and services to consumers. We could be exposed to liability with respect to such third-party information or the goods and services sold through our website. Among other things, we may face assertions that, by directly or indirectly providing such third-party content or links to other websites, we should be liable for defamation, negligence, copyright or trademark infringement, or other actions by parties providing such content or operating those websites. We may also face assertions that content on our websites, including statistics or other data we compile internally, or information contained in websites linked to our websites contains false information, errors or omissions, and users and our customers could seek damages for losses incurred as a result of their reliance upon or otherwise relating to incorrect information. We may also be subject to fines and other sanctions by the government for such incorrect information. Moreover, our relevant consolidated VIEs, as internet advertising service providers, are obligated under PRC laws and regulations to monitor the advertising content shown on our websites for compliance with applicable law. Violation of applicable law may result in penalties, including fines, confiscation of advertising fees, orders to cease dissemination of the offending advertisements and orders to publish advertisements correcting the misleading information. In case of serious violations, the PRC authorities may revoke the offending entities' advertising licenses and/or business licenses. In addition, our websites could be used as a platform for fraudulent transactions. The measures we take to guard against liability for third-party content or information may not be adequate to exonerate us from relevant civil and other liabilities. Any such claims, with or without merit, could be time-consuming to defend and result in litigation and significant diversion of management's attention and resources. Even if these claims do not result in liability to us, we could incur significant costs in investigating and defending against these claims and suffer damage to our reputation. Our general liability insurance may not cover all potential claims to which we are exposed to and may not be adequate to indemnify us for all liability that may be imposed.

Increases in labor costs in the PRC may adversely affect our business and our profitability.

China's economy has experienced increases in labor costs in recent years. China's overall economy and the average wage in China are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our customers by increasing prices for our products or services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract Law, that became effective in January 2008 and its implementing rules that became effective in September 2008 and its amendments that became effective in July 2013, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. Besides, pursuant to the Labor Contract Law and its amendments, dispatched employees are intended to be a supplementary form of employment and the fundamental form should be direct employment by enterprises and organizations that require employees. Further, it is expressly stated in the Interim Provisions on Labor Dispatch that will become effective on March 1, 2014 that the number of seconded employees an employer uses may not exceed 10% of its total labor force and the employer has a two-year transition period to comply with such requirement. Some of our PRC subsidiaries, consolidated VIEs and their subsidiaries use seconded employees for their principal business activities. If the relevant PRC companies are deemed to have violated the limitation on the use of seconded employees under the relevant labor laws and regulations, we may be subject to fines and incur other costs to make required changes to our current employment practices.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practice does not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

The successful operation of our business depends upon the performance and reliability of the internet infrastructure and telecommunications networks in China.

Our business depends on the performance and reliability of the internet infrastructure in China. Substantially all access to the internet is maintained through state-controlled telecommunication operators under the administrative control and regulatory supervision of MIIT. In addition, the national networks in China are connected to the internet through international gateways controlled by the PRC government. These international gateways are generally the only websites through which a domestic user can connect to the internet. We cannot assure you that a more sophisticated internet infrastructure will be developed in China. We may not have access to alternative networks in the event of disruptions, failures or other problems with China's internet infrastructure. In addition, the internet infrastructure in China may not support the demands associated with continued growth in internet usage.

We also rely on China Unicom and China Telecom to provide us with data communications capacity primarily through local telecommunications lines and internet data centers to host our servers. We do not have access to alternative services in the event of disruptions, failures or other problems with the fixed telecommunications networks of China Unicom or China Telecom, or if China Unicom or China Telecom otherwise fails to provide such services. Any unscheduled service interruption could disrupt our operations, damage our reputation and result in a decrease in our revenues. Furthermore, we have no control over the costs of the services provided by China Unicom and China Telecom. If the prices that we pay for telecommunications and internet services rise significantly, our gross margins could be significantly reduced. In addition, if internet access fees or other charges to internet users increase, our user traffic may decrease, which in turn may cause our revenues to decline.

Any natural or other disasters, including outbreaks of health epidemics, and other extraordinary events could severely disrupt our business operations.

Our operations are vulnerable to interruption and damage from natural and other types of disasters, including earthquakes, fire, floods, environmental accidents, power loss, communication failures and similar events. If any natural disaster or other extraordinary events were to occur in the area where we operate, our ability to operate our business could be seriously impaired. Our business could be materially and adversely affected by any outbreak of H7N9 bird flu, H1N1 swine influenza, avian influenza, severe acute respiratory syndrome, or SARS, or another epidemic. Any prolonged occurrence of swine influenza, avian influenza, SARS or other adverse public health developments in China could severely disrupt our business operations and adversely affect our results of operations.

Potential strategic investments, acquisitions or new business initiatives may disrupt our ability to manage our business effectively.

Strategic investments, acquisitions or new business initiatives and any subsequent integration of new companies or businesses will require significant attention from our management, in particular to ensure that such changes do not disrupt any existing collaborations, or affect our users' opinion and perception of our services and customer support. In addition, in the case of acquisitions or new business initiatives our management will need to ensure that the acquired or new business is effectively integrated into our existing operations. The diversion of our management's attention and any difficulties encountered in integration could have a material adverse effect on our ability to manage our business. In addition, strategic investments, acquisitions or new business initiatives could expose us to potential risks, including:

- risks associated with the assimilation of new operations, services, technologies and personnel;
- unforeseen or hidden liabilities;
- the diversion of resources from our existing businesses and technologies;
- the inability to generate sufficient revenues to offset the costs and expenses of the transaction; and
- potential loss of, or harm to, relationships with employees, customers and users as a result of the integration of new businesses or investment.

Certain of our leased office premises contain defects in the leasehold interests and if we are forced to relocate operations affected by such defects, our operations may be adversely affected.

As of December 31, 2013, we had leased office premises in 53 cities in China, in addition to a branch office in Hong Kong and our principal executive offices in Beijing, China. A number of these leased properties contain defects in the leasehold interests. Such defects include the lack of proper title or right to lease with respect to 7 leased premises and the landlords' failure to duly register the leases with the relevant PRC government authority with respect to 68 leased premises.

Under PRC regulations, in situations where a tenant lacks evidence of the landlord's title or right to lease, the relevant lease agreement may not be valid or enforceable and may also be subject to challenge by third parties. In addition, under PRC laws and regulations, while the failure to register the lease agreement does not affect its effectiveness between the tenant and the landlord, such lease agreement may be subject to challenge by and unenforceable against a third party who leases the same property from the landlord and has duly registered the lease with the competent PRC government authority. This risk may be mitigated if we continue to occupy the leased premises under our lease. Furthermore, the landlord and the tenant may be subject to administrative fines for such failure to register the lease.

We have taken steps to cause our landlords to procure valid evidence as to the title or right to lease, as well as to complete the lease registration procedures. However, we cannot assure you that such defects will be cured in a timely manner or at all. Our operations may be interrupted and additional relocation costs may be incurred if we are required to relocate operations affected by such defects.

We have limited business insurance coverage.

The insurance industry in China is still at an early stage of development and PRC insurance companies offer only limited business insurance products. As a result, we do not have any business disruption insurance or litigation insurance coverage for our operations in China. Any business disruption, litigation or natural disaster may cause us to incur substantial costs and result in the diversion of our resources, as well as significantly disrupt our operations, and have a material adverse effect on our business, financial position and results of operations.

Risks Related to Our Carve-out from E-House and Our Relationships with E-House

We have no experience operating as a stand-alone public company.

We have no experience conducting our operations as a stand-alone public company. Prior to this offering, we were a wholly owned subsidiary of E-House and E-House has provided us with accounting, administrative, marketing, internal control, customer service and legal support, and has also provided us with the services of a number of its executives and employees. As E-House will continue to be our controlling shareholder following this offering, we expect E-House to continue to provide us with certain support services, but to the extent E-House does not continue to provide us with these support services, we will need to provide such services on our own. For example, with respect to our sales of discount coupons for property developments in Beijing, for regulatory reasons the fees for such discount coupons are collected by E-House on our behalf and either remitted to us or used to offset amounts owed by us to E-House. In the past, E-House has not charged any fee or commission for its provision of this service to us. There can be no assurance that E-House will not charge a fee or commission for this services, or any similar service that E-House may provide to us in the future. We may encounter operational, administrative and strategic difficulties as we adjust to operating as a stand-alone public company, which may cause us to react slower than our competitors to industry changes, may divert our management's attention from running our business or may otherwise harm our operations.

In addition, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and investor relations issues. While we were a wholly owned subsidiary of E-House, we were indirectly subject to requirements to maintain an effective internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404. However, as a stand-alone public company, our management will have to evaluate our internal control system independently with new thresholds of materiality, and to implement necessary changes to our internal control system. We cannot guarantee that we will be able to do so in a timely and effective manner.

Our financial information included in this prospectus may not be representative of our financial condition and results of operations if we had been operating as a stand-alone public company.

The consolidated financial statements included in this prospectus were prepared on a carve-out basis. We made numerous estimates, assumptions and allocations in our financial information because E-House did not account for us, and we did not operate, as a separate, stand-alone company for any period prior to the completion of this offering.

Prior to the establishment of our holding company in November 2013, the operations of the online real estate business of E-House were carried out by various companies owned or controlled by E-House. For periods both before and after November 2013, our consolidated financial statements include the assets, liabilities, revenues, expenses and changes in shareholders' equity and cash flows that were directly attributable to our real estate online services whether held or incurred by E-House or by us. In cases involving assets and liabilities not specifically identifiable to any particular operation of E-House, only those assets and liabilities transferred to us are included in our consolidated balance sheets. Our financial statements included elsewhere in this prospectus include our direct expenses as well as allocations for various selling, general and administrative expenses of E-House that are not directly related to online services. These expenses consist primarily of share-based compensation expenses and shared marketing and management expenses including accounting, administrative, marketing, internal control, customer service and legal support. These allocations were made using a proportional cost allocation method and were based on revenues and headcount as well as estimates of actual time spent on the provision of services attributable to our Company. Although our management believes that the assumptions underlying our financial statements and the above allocations are reasonable, our financial statements may not necessarily reflect our results of operations, financial position and cash flows as if we had operated as a stand-alone public company during the periods presented. See "Our Relationship with E-House" for our arrangements with E-House and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to our consolidated financial statements included elsewhere in this prospectus for our historical cost allocation. In addition, upon becoming a stand-alone public company, we will establish our own financial and other support systems or contract with third parties to replace E-House's systems, the cost of which could be significantly different from cost allocation with E-House for the same services. Therefore, you should not view our historical results as indicators of our future performance.

Although we have entered into a series of agreements with E-House relating to our ongoing business partnership and service arrangements with E-House, we cannot assure you we will continue to receive the same level of support from E-House after we become a stand-alone public company. Our current clients and partners may react negatively to our carve-out from E-House. Any of the foregoing could materially and adversely affect our business.

Our agreements with E-House may be less favorable to us than similar agreements negotiated between unaffiliated third parties. In particular, our non-competition agreement with E-House limits the scope of business that we are allowed to conduct.

We have entered into a series of agreements with E-House prior to this offering and the terms of such agreements may be less favorable to us than would be the case if they were negotiated with unaffiliated third parties. In particular, under the non-competition agreement we have entered into with E-House, we have agreed during a specified non-competition period not to compete with E-House in any business conducted by E-House as described in its periodic filings with the SEC, other than the business we are engaged in as described in this prospectus. Such contractual limitations restrict our ability to diversify our revenue sources. In addition, pursuant to our master transaction agreement with E-House, we have agreed to indemnify E-House for, among other things, liabilities arising from litigation and other contingencies related to our business and assumed these liabilities as part of our carve-out from E-House. The allocation of assets and liabilities between E-House and us may not

reflect the allocation that would have been reached by two unaffiliated parties. Moreover, so long as E-House continues to control us, we may not be able to bring a legal claim against E-House in the event of contractual breach, notwithstanding our contractual rights under the agreements described above and other inter-company agreements entered into from time to time.

Any negative development with respect to E-House may materially and adversely affect our business and brand.

We are a subsidiary of E-House and will continue to be an affiliate of E-House after the offering. We have benefited significantly from E-House in marketing our services. For example, we have benefited from E-House by providing services to E-House's clients. If E-House loses its market position or suffers any negative publicity, it could have an adverse impact on our business, our marketing efforts, our relationships with strategic partners and customers, our reputation and brand.

E-House will control the outcome of shareholder actions of our company.

Upon completion of this offering, assuming the underwriters do not exercise their over-allotment option, E-House will hold _____ % of our ordinary shares and voting power. E-House has advised us that it does not anticipate disposing of its voting control in us in the near future. E-House's voting power gives it the power to control actions that require shareholder approval under Cayman Islands law, our memorandum and articles of association and NYSE requirements, including the election and removal of a majority of our board of directors, significant mergers and acquisitions and other business combinations, changes to our memorandum and articles of association, the number of shares available for issuance under share incentive plans, and the issuance of significant amounts of our ordinary shares in private placements.

E-House's voting control may cause transactions to occur that might not be beneficial to you as a holder of our ADSs, and may prevent transactions that would be beneficial to you. For example, E-House's voting control may prevent a transaction involving a change of control of us, including transactions in which you as a holder of our ADSs might otherwise receive a premium for your securities over the then-current market price. In addition, E-House is not prohibited from selling a controlling interest in us to a third party and may do so without your approval and without providing for a purchase of your ADSs. If E-House is acquired or otherwise undergoes a change of control, any acquirer or successor will be entitled to exercise the voting control and contractual rights of E-House, and may do so in a manner that could vary significantly from that of E-House.

We will be a "controlled company" within the meaning of the Corporate Governance Rules of the NYSE and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Upon the closing of this offering, E-House will continue to hold _____ % of our then outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option or _____ % of our then outstanding ordinary shares if the underwriters exercise their over-allotment option in full. As a result, we will be a "controlled company" within the meaning of applicable corporate governance standards. Under the Corporate Governance Rules of the NYSE, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that we have a majority of independent directors on our board of directors;
- the requirement that we have a nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;

- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and compensation committees.

Following this offering, we intend to utilize the foregoing exemptions from the applicable corporate governance requirements. As a result, we will not have a majority of independent directors nor a separate nominating committee. In addition, our compensation committee will not consist entirely of independent directors and we will not be required to have an annual performance evaluation of the compensation committee. See "Management." Accordingly, you will not have the same protections afforded to shareholders of companies that are subject to all of the applicable corporate governance requirements.

We may have conflicts of interest with E-House and, because of E-House's controlling ownership interest in our company, may not be able to resolve such conflicts on favorable terms for us.

Conflicts of interest may arise between E-House and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest include the following:

- *Indemnification arrangements with E-House.* We have agreed to indemnify E-House with respect to lawsuits and other matters relating to our real estate online services business, including operations of that business when it was a business unit of E-House. These indemnification arrangements could result in our having interests that are adverse to those of E-House, for example, different interests with respect to settlement arrangements in a litigation matter. In addition, under these arrangements, we have agreed to reimburse E-House for liabilities incurred (including legal defense costs) in connection with any litigation, while E-House will be the party prosecuting or defending the litigation.
- *Non-competition arrangements with E-House.* We and E-House have each agreed not to compete in each other's core business. E-House has agreed not to compete with us in the business of providing real estate e-commerce, online advertising and listing services anywhere in the world. We have agreed not to compete with E-House in any other business conducted by E-House as described in its periodic filings with the SEC, other than the business we are engaged in as described in this prospectus.
- *Employee recruiting and retention.* Because both we and E-House are engaged in real estate services in China, we may compete with E-house in the hiring of new employees, in particular with respect to real estate information and research. We have a non-solicitation arrangement with E-House that would restrict either E-House or us from hiring any of the other's employees.
- *Our board members or executive officers may have conflicts of interest.* Mr. Xin Zhou, our chairman, is currently also serving as E-House's co-chairman and chief executive officer. Some of our board members and executive officers are also board members and executive officers of E-House and/or also own shares or options in E-House. E-House may continue to grant incentive share compensation to our board members and executive officers from time to time. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for E-House and us.
- *Sale of shares in our company.* E-House may decide to sell all or a portion of our shares that it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of certain of our shareholders, including our employees or our public shareholders.

- *Allocation of business opportunities.* Business opportunities may arise that both we and E-House find attractive, and which would complement our respective businesses. E-House may decide to take the opportunities itself, which would prevent us from taking advantage of the opportunity.
- *Developing business relationships with E-House's competitors.* So long as E-House remains our controlling shareholder, we may be limited in our ability to do business with its competitors, such as other real estate services companies in China or other companies with which E-House does not want to conduct business. This may limit our ability to market our services for the best interest of our company and our other shareholders.
- *Application of proceeds.* Based on E-House's controlling interest in our Company, E-House will have the ability to direct the application of the net proceeds of this offering. There can be no assurance that such proceeds will be applied as set forth under "Use of Proceeds" or that such application will not conflict with your interests as a shareholder.

Although our company is becoming a stand-alone public company, we expect to operate, for as long as E-House is our controlling shareholder, as an affiliate of E-House. E-House may from time to time make strategic decisions that it believes are in the best interests of its business and its shareholders. These decisions may be different from the decisions that we would have made on our own. E-House's decisions with respect to us or our business may be resolved in ways that favor E-House and therefore E-House's own shareholders, which may not coincide with the interests of our other shareholders. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved among unaffiliated parties, this may not succeed in practice.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating our advertising services business and real estate online business in China do not comply with PRC governmental restrictions on foreign investment in the advertising industry or the internet information service industry, we could be subject to severe penalties.

Leju Holdings Limited is a Cayman Islands company and a foreign person under PRC law. Due to PRC government restrictions on foreign investment in the internet and advertising industries, we conduct part of our business through contractual arrangements with our affiliated PRC entities. Our e-commerce business with respect to new residential properties is operated through our contractual arrangements with Shanghai Yi Xin and its shareholders. Our e-commerce business with respect to home furnishing is operated through our contractual arrangements with Beijing Jiajujiu and its shareholders. Our online advertising business for new residential properties websites and our secondary listings business are operated through our contractual arrangements with Beijing Leju and its shareholders. Beijing Leju and its subsidiaries, Shanghai Yi Xin, and Beijing Jiajujiu and its subsidiaries and branches hold the licenses and approvals that are essential for our business operations.

We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective shareholders. These contractual arrangements enable us to (i) direct the activities that most significantly affect the economic performance of Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their subsidiaries and branches; (ii) receive substantially all of the economic benefits from the three consolidated VIEs and their subsidiaries in consideration for the services provided by our PRC subsidiaries; and (iii) have an exclusive option to purchase all or part of the equity interests in the consolidated VIEs, when and to the extent permitted by PRC law, or request any existing shareholder of the consolidated VIEs to transfer all or part of the equity interest in the consolidated VIEs to another PRC person or entity designated by us at any time in our discretion.

These agreements make us their "primary beneficiary" for accounting purposes under U.S. GAAP. For descriptions of these contractual arrangements, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)."

If the PRC government finds that these contractual arrangements do not comply with its restrictions on foreign investment in the internet business or advertising industry, or if the PRC government otherwise finds that we, Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu, or any of their subsidiaries and branches is in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including the State Administration for Industry and Commerce, which regulates advertising companies, and the MIIT, which regulates internet information service companies, would have broad discretion in dealing with such violations, including:

- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or our PRC subsidiaries and affiliates may not be able to comply;
- requiring us or our PRC subsidiaries and affiliates to restructure the relevant ownership structure or operations;
- restricting or prohibiting our use of the proceeds from this offering to finance the business and operations of the consolidated VIEs; or
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of these penalties could have a material and adverse effect on our business, financial condition and results of operations. If any of these penalties results in our inability to direct the activities of any of Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu that most significantly impact its economic performance, and/or our failure to receive the economic benefits from any of Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu, we may not be able to consolidate the entity in our consolidated financial statements in accordance with U.S. GAAP.

We rely on contractual arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu and their respective shareholders for a portion of our operations, which may not be as effective as direct ownership in providing operational control.

We rely on contractual arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu and their respective shareholders to operate our online real estate business and our real estate advertising business. For descriptions of these contractual arrangements, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)." These contractual arrangements may not be as effective as direct ownership in providing us with control over Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu. These contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. If any of the other parties fail to perform their obligations under these contractual arrangements, we may have to incur substantial costs and resources to enforce such arrangements, and we would have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which we cannot assure you will be effective. Furthermore, the legal environment in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit

our ability to enforce these contractual arrangements, which may make it difficult to exert effective control over Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, and our ability to conduct our business may be negatively affected.

In 2011, 2012 and 2013, Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective subsidiaries and branches contributed in aggregate 84.9%, 95.3% and 94.3% of our total net revenues, respectively. In the event we are unable to enforce the contractual arrangements, we may not be able to have the power to direct the activities that most significantly affect the economic performance of Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective subsidiaries and branches, and our ability to conduct our business may be negatively affected, and we may not be able to consolidate the financial results of Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective subsidiaries and branches into our consolidated financial statements in accordance with U.S. GAAP.

The shareholders of our consolidated VIEs may have potential conflicts of interest with us, and if any such conflicts of interest are not resolved in our favor, our business may be materially and adversely affected.

We have designated individuals who are PRC nationals to be the shareholders of our consolidated VIEs in China, Beijing Leju, Shanghai Yi Xin, and Beijing Jiajujiu. These individuals may have conflicts of interest with us. Each of Shanghai Yi Xin and Beijing Jiajujiu is 70% owned by Mr. Zuyu Ding, E-House's co-president and 30% owned by Mr. Weijie Ma, our co-president and acting chief financial officer. Beijing Leju is 80% owned by Mr. Xudong Zhu, the head of E-House's offline advertising operations, and 20% owned by Mr. Zuyu Ding, E-House's co-president. None of Mr. Zhu, Mr. Ding and Mr. Ma has a significant equity stake in our company. We cannot assure you that when conflicts of interest arise, they will act in the best interests of our company or that conflicts of interests will be resolved in our favor. In addition, they may breach or cause our VIEs and their subsidiaries to breach or refuse to renew the existing contractual arrangements that allow us to effectively control our consolidated VIEs and their subsidiaries and receive economic benefits from them. Currently, we do not have arrangements to address potential conflicts of interest between the shareholders of our consolidated VIEs and our company. We rely on them to abide by the laws of the Cayman Islands and China, which provide that directors and/or officers owe a fiduciary duty to our company, which requires them to act in good faith and in the best interests of our company and not to use their positions for personal gain. If we cannot resolve any potential conflicts of interest or disputes between us and the individual shareholders of our consolidated VIEs which may arise, we would have to rely on legal proceedings to enforce our rights, which could be costly and unsuccessful.

Our ability to enforce the equity pledge agreements between us and the shareholders of Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu may be subject to limitations based on PRC laws and regulations.

Pursuant to the equity pledge agreements relating to our consolidated VIEs, Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, the shareholders of the consolidated VIEs pledge their equity interest in the consolidated VIEs to our subsidiaries to secure their and the relevant consolidated VIEs' performance of the obligations under the relevant contractual arrangements. The equity pledges under these equity pledge agreements have been registered with the relevant local branch of the State Administration for Industry and Commerce. According to the PRC Property Law and PRC Guarantee Law, the pledgee and the pledgor are prohibited from making an agreement prior to the expiration of the debt performance period to transfer the ownership of the pledged equity to the pledgee when the obligor fails to pay the debt due. However, under the PRC Property Law, when an obligor fails to pay its debt when due, the pledgee may choose to either conclude an agreement with the pledgor to obtain the pledged equity or seek payments from the proceeds of the auction or sell-off of the pledged equity. If any of the consolidated VIEs or its shareholders fails to perform its obligations secured by the pledges under the equity pledge agreements, one remedy in the event of default under the agreements is to require the pledgor to sell the equity interests in the relevant consolidated VIE in an auction or

private sale and remit the proceeds to our subsidiaries in China, net of related taxes and expenses. Such an auction or private sale may not result in our receipt of the full value of the equity interests in the relevant consolidated VIE. We consider it very unlikely that the public auction process would be undertaken since, in an event of default, our preferred approach would be to ask our PRC subsidiary that is a party to the exclusive call option agreement with the consolidated VIE's shareholder, to designate another PRC person or entity to acquire the equity interest in the consolidated VIE and replace the existing shareholder pursuant to the exclusive call option agreement.

In addition, in the registration forms of the local branch of State Administration for Industry and Commerce for the pledges over the equity interests under the equity pledge agreements, the amount of registered equity interests pledged to our PRC subsidiaries was stated as the pledgor's portion of the registered capital of the consolidated VIE. The equity pledge agreements with the shareholders of the consolidated VIEs provide that the pledged equity interest constitute continuing security for any and all of the indebtedness, obligations and liabilities under the relevant contractual arrangements, and therefore the scope of pledge should not be limited by the amount of the registered capital of the consolidated VIEs. However, there is no guarantee that a PRC court will not take the position that the amount listed on the equity pledge registration forms represents the full amount of the collateral that has been registered and perfected. If this is the case, the obligations that are supposed to be secured in the equity pledge agreements in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court to be unsecured debt, which takes last priority among creditors and often does not have to be paid back at all. We do not have agreements that pledge the assets of the consolidated VIEs and their subsidiaries for the benefit of us or our PRC subsidiaries, although the consolidated VIEs grant our PRC subsidiaries options to purchase the assets of the consolidated VIEs and their equity interests in their subsidiaries under the exclusive call option agreement.

Contractual arrangements we have entered into with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu may be subject to scrutiny by the PRC tax authorities and a finding that we, Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu owe additional taxes could reduce our net income and the value of your investment.

Under PRC laws and regulations, arrangements and transactions among related parties may be audited or challenged by the PRC tax authorities. We could face material and adverse consequences if the PRC tax authorities determine that the contractual arrangements we have entered into with Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu do not represent an arm's-length price and adjust the taxable income of Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu or their subsidiaries and branches in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu or their subsidiaries and branches, which could in turn increase their PRC tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties on our consolidated VIEs for underpayment of taxes. Our consolidated net income may be materially and adversely affected if our consolidated VIEs' tax liabilities increase or if they are found to be subject to late payment fees or other penalties.

Risks Related to Doing Business in China

Changes in PRC government policies could have a material and adverse effect on overall economic growth in China, which could adversely affect our business.

We conduct substantially all of our business in China. As the real estate industry is highly sensitive to business spending, credit conditions and personal discretionary spending levels, it tends to decline during general economic downturns. Accordingly, our results of operations, financial condition and prospects are subject, to a significant degree, to economic developments in China. While China's economy has experienced significant growth in the past three decades, growth has been uneven across different periods, regions and among various economic sectors of China. The PRC government may

implement measures that are intended to benefit the overall economy even if they would be expected to have a negative effect on the real estate industry. The real estate industry is also sensitive to credit policies. In recent years, the PRC government adjusted the People's Bank of China's statutory deposit reserve ratio and benchmark interest rates several times in response to various economic situations. Any future monetary tightening may reduce the overall liquidity in the economy and reduce the amount of credit available for real estate purchase. Higher interest rates may increase borrowing costs for purchasers who rely on mortgage loans to finance their real estate purchase. These could negatively affect overall demand for real estate and adversely affect our operating and financial results. We cannot assure you that China will continue to have rapid or stable economic growth in the future or that changes in credit or other government policies that are intended to create stable economic growth will not adversely impact the real estate industry.

While China's economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also have a negative effect on us. The PRC government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, and since 2012, the PRC economy has slowed down. Any prolonged slowdown in the PRC economy may reduce the demand for our products and services and adversely affect our results of operations and financial condition.

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

We conduct our business primarily through our subsidiaries and consolidated VIEs in China. Our operations in China are governed by PRC laws and regulations. Our subsidiaries are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. PRC legislation and regulations have gradually enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

Governmental control of currency conversion may affect the value of your investment.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Restrictions on currency exchanges between the Renminbi and other currencies may limit our ability to utilize our revenues and funds, in particular in relation to capital account transactions such as investments and loans. We receive substantially all of our revenues in the Renminbi. Under our current structure, our income will be primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries and our consolidated VIEs to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under current PRC regulations, the Renminbi is convertible for "current account transactions," which include among other things dividend payments and payments for the import of goods and services, subject to compliance with certain procedural requirements. Although the Renminbi has been fully convertible for current account transactions since 1996, we cannot assure you that the relevant

PRC government authorities will not limit or eliminate our ability to purchase and retain foreign currencies for current account transactions in the future.

Conversion of the Renminbi into foreign currencies and of foreign currencies into the Renminbi, for payments relating to "capital account transactions," which principally include investments and loans, generally requires the approval of the State Administration of Foreign Exchange, or SAFE, and other relevant PRC governmental authorities. Restrictions on the convertibility of the Renminbi for capital account transactions could affect the ability of our PRC subsidiaries and affiliated PRC operating companies to make investments overseas or to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi has appreciated more than 30% against the U.S. dollar since then. However, the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in the Renminbi exchange rates and achieve policy goals. It is difficult to predict how long the current currency exchange trend may last and when and how this relationship between the Renminbi and the U.S. dollar may change again.

There remains significant international pressure on the Chinese government to adopt a flexible currency policy to allow the Renminbi to appreciate against the U.S. dollar. Significant revaluation of the Renminbi may have a material adverse effect on your investment. As our costs and expenses are mostly denominated in the Renminbi, the appreciation of the Renminbi against the U.S. dollar would increase our costs in U.S. dollar terms. In addition, as our operating subsidiaries and consolidated VIEs in China receive revenues in the Renminbi, any significant depreciation of the Renminbi against the U.S. dollar may have a material and adverse effect on our revenues in U.S. dollar terms and financial condition, and the value of, and any dividends payable on, our ordinary shares. For example, to the extent that we need to convert U.S. dollars into the Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us. These and other effects on our financial data resulting from fluctuations in the value of the Renminbi against the U.S. dollar could have a material and adverse effect on the trading price of our ADSs.

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

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

SAFE issued a public notice, commonly referred to as Circular 75, in October 2005 requiring PRC domestic residents to register with the local SAFE branch before establishing, or acquiring control of, any company outside of China for the purpose of capital financing with assets or equities of PRC companies, referred to in the notice as an "offshore special purpose company." PRC residents who are beneficial owners of offshore special purpose companies and have completed round trip investments but did not make foreign exchange registrations for overseas investments before November 1, 2005 were retroactively required to register with the local SAFE branch before March 31, 2006. PRC resident beneficial owners are also required to amend their registrations with the local SAFE branch in certain circumstances. We are aware that our PRC resident beneficial owners subject to the SAFE registration requirements have registered with the Shanghai SAFE branch and will amend such registration to reflect the recent changes to our corporate structure.

We cannot provide any assurances that all of our beneficial owners who are PRC residents will continue to make, obtain or amend any applicable registrations or approvals required by these SAFE regulations. The failure or inability of our PRC resident beneficial owners to comply with the registration procedures set forth therein may subject us to fines and legal sanctions, restrict our cross-border investment activities, or limit our ability to contribute additional capital into our PRC subsidiaries, or limit our PRC subsidiaries' ability to pay dividends or make other distributions to our company or otherwise adversely affect our business. Moreover, failure to comply with the SAFE registration requirements could result in liability under PRC laws for evasion of foreign exchange restrictions.

As it is uncertain how the SAFE regulations will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, including the remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under the applicable regulations and SAFE rules, PRC citizens who participate in an employee stock ownership plan or a stock option plan in an overseas publicly listed company are required to register with SAFE and complete certain other procedures. In February 2012, SAFE promulgated the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies, or the Stock Option Rules, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plan or Stock Option Plans of Overseas Publicly-Listed Companies issued by SAFE in March 2007. Pursuant to the Stock Option Rules, if a PRC resident participates in any stock incentive plan of an overseas publicly-listed company, a qualified PRC domestic agent must, among other things, file on behalf of such participant an application with SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the

exercise or sale of stock options or stock such participant holds. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC resident employees who have been granted stock options or other share-based incentives of our Company will be subject to the Stock Option Rules when our Company becomes an overseas listed company upon the completion of this offering. If we or our PRC resident participants fail to comply with these regulations, we and/or our PRC resident participants may be subject to fines and legal sanctions. See "Regulation—Regulations relating to Foreign Exchange Control and Administration—Foreign Exchange Registration of Employee Stock Incentive Plans."

PRC regulations relating to acquisitions in China require us to obtain certain approvals from the Ministry of Commerce and the failure to obtain such approvals could have a material and adverse effect on our business, results of operations, reputation and the trading price of our ADSs.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, jointly issued by six PRC regulatory agencies and amended by the Ministry of Commerce in 2009, include provisions that purport to require the Ministry of Commerce's approval for acquisitions by offshore entities established or controlled by domestic companies, enterprises or natural persons of onshore entities that are related to such domestic companies, enterprises or natural persons. However, the interpretation and implementation of the M&A Rules remain unclear with no consensus currently existing regarding the scope and applicability of the Ministry of Commerce approval requirement on foreign acquisitions among related parties.

We have entered into contractual arrangements with each of Beijing Leju, Shanghai Yi Xin and Beijing Jiajuju and their respective shareholders, which provide us with substantial ability to control each of these entities. See "Related Party Transactions."

If the Ministry of Commerce subsequently determines that their approval was required for such contractual arrangements, we may need to apply for a remedial approval. There can be no assurance that we will be able to obtain such approval or waiver of such approval from the Ministry of Commerce. Inability to obtain such approval or waiver from the Ministry of Commerce may have a material and adverse effect on our business. Further, we may be subject to certain administrative punishments or other sanctions from the Ministry of Commerce. The Ministry of Commerce or other regulatory agencies may impose fines and penalties on our operations in the PRC, limit our operating privileges in the PRC, delay or restrict the repatriation of U.S. dollars into the PRC, or take other actions that could have further material and adverse effects on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules and recently adopted regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that the PRC Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the PRC Ministry of Commerce when the threshold under the Provisions on

Thresholds for Prior Notification of Concentrations of Undertakings, or the Prior Notification Rules, issued by the State Council in August 2008 is triggered. In addition, the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, issued by the PRC Ministry of Commerce in August 2011, specify that mergers and acquisitions by foreign investors involved in "an industry related to national security" are subject to strict review by the PRC Ministry of Commerce, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the PRC Ministry of Commerce or its local counterparts may delay or inhibit our ability to complete such transactions. We cannot preclude the possibility that the PRC Ministry of Commerce or other government agencies may publish explanations contrary to our understanding or broaden the scope of such security reviews in the future, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Our PRC subsidiaries and consolidated VIEs are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.

We are a holding company registered in the Cayman Islands. We rely on dividends from our PRC subsidiaries as well as service and other fees paid to our PRC subsidiaries by our consolidated VIEs for our cash and financing requirements, such as the funds necessary to pay dividends and other cash distributions to our shareholders, including holders of our ADSs, and service any debt we may incur.

Our consolidated VIEs are directly held by certain PRC individuals designated by us and thus are not able to make dividend payments to our PRC subsidiaries and holding companies outside the PRC. We have the right to charge our consolidated VIEs service fees through our relevant PRC subsidiaries pursuant to the exclusive technical support agreements entered into with our consolidated VIEs, which together with the other agreements with our consolidated VIEs and their respective shareholders, enable us to enjoy substantially all of the economic benefits of our consolidated VIEs. These contractual arrangements we have entered into with our consolidated VIEs may be subject to scrutiny by the PRC tax authorities. See "Risk Factors—Risks Related to Our Corporate Structure—Contractual arrangements we have entered into with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu may be subject to scrutiny by the PRC tax authorities and a finding that we, Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu owe additional taxes could reduce our net income and the value of your investment." Our consolidated VIEs have paid and will continue to pay the service fees to our relevant PRC subsidiaries pursuant to the exclusive technical support agreements between them.

Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits after making up previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. In addition, at the discretion of each of our PRC subsidiaries, it may also allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends. In addition, the PRC Enterprise Income Tax Law, or the EIT Law, and its implementation rules provide that withholding tax rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated. We have not received

any dividend payments or other distributions from our PRC subsidiaries, and as we currently intend to retain all of the available funds and any future earnings of our PRC subsidiaries to fund the development and growth of our business, we do not expect to receive any dividend payments or other distributions from our PRC subsidiaries in the foreseeable future.

Furthermore, if our PRC subsidiaries and consolidated VIEs incur debt on their own behalf in the future, the instruments governing the debt may restrict the ability of our consolidated VIEs to pay service fees to our PRC subsidiaries or the ability of our PRC subsidiaries to pay dividends to us, which may restrict our ability to satisfy our liquidity requirements. Any limitation on the ability of our PRC subsidiaries or consolidated VIEs to pay dividends or make other payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries.

As an offshore holding company of our PRC operating subsidiaries, we may make loans to our PRC subsidiaries and consolidated VIEs, or may make additional capital contributions to our PRC subsidiaries, subject to satisfaction of applicable governmental registration and approval requirements.

Any loans we extend to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC law, cannot exceed the statutory limit and must be registered with the local counterpart of the SAFE. The statutory limit for the total amount of foreign debt of a foreign-invested company is the difference between the amount of total investment and the amount of registered capital of such foreign-invested company as approved by the Ministry of Commerce or its local counterpart. The current statutory limit on the loans we may make to Beijing Maiteng, our PRC subsidiary, is HK\$40 million (\$5.2 million). The current total investment in each of our other PRC subsidiaries, namely, Shanghai SINA Leju, Shanghai Yi Yue, City Rehouse, Shanghai Xiangle Information Technology Limited and Shanghai Fangxin Information Technology Co., Ltd., is in the same amount of their respective registered capital. Therefore we currently are not able to extend any loans to these subsidiaries. However, these statutory limits may be increased with the increases of the total investment, subject to the PRC governmental approvals and registrations. Any loans we extend to our consolidated VIEs or other PRC operating companies that are domestic PRC entities, must be approved by the National Development and Reform Commission or its local counterpart and must also be registered with SAFE or its local branches.

We may also decide to finance our PRC subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign-invested enterprises in China, these capital contributions are subject to approval by the Ministry of Commerce or its local counterpart. In addition, on August 29, 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises, or Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency registered capital into Renminbi by restricting how the converted Renminbi may be used. Circular 142 provides that the Renminbi fund converted from foreign currency registered capital of a foreign-invested enterprise can only be used for purposes within the approved business scope of such foreign-invested enterprise and cannot be used for equity investments within the PRC, unless otherwise provided by law. Moreover, SAFE strengthened its oversight of the flow and use of the Renminbi fund converted from foreign currency registered capital of a foreign-invested enterprise. The use of such Renminbi fund may not be altered without SAFE approval, and such Renminbi fund may not in any case be used to repay Renminbi loans if the proceeds of such loans have not been used. Violations of Circular 142 could result in severe monetary or other penalties. Furthermore, SAFE promulgated a circular in November 2010 which tightens the regulations over settlement of net proceeds from overseas offerings like this offering and requires that the settlement of net proceeds must be consistent with the

description in the prospectus for the offering. SAFE also promulgated a circular in November 2011, which prohibits a foreign-invested enterprise from using Renminbi funds converted from its foreign currency registered capital to provide entrustment loans or repay loans borrowed from non-financial enterprises. These circulars may limit our ability to transfer the net proceeds from this offering to our consolidated VIEs and the subsidiaries of our PRC subsidiaries, and we may not be able to convert the net proceeds from this offering into Renminbi to invest in or acquire any other PRC companies, or establish other consolidated VIEs in China. Despite the restrictions under these SAFE circulars, our PRC subsidiaries may use their income in Renminbi generated from their operations to finance the relevant consolidated VIEs through entrustment loans to the consolidated VIEs or loans to such VIEs' shareholders for the purpose of making capital contributions to such VIEs. In addition, our PRC subsidiaries can use Renminbi funds converted from foreign currency registered capital to carry out any activities within their normal course of business and business scope, including to purchase or lease servers and other relevant equipment and fund other operational needs in connection with their provision of services to the relevant consolidated VIEs under the applicable exclusive technical support agreements.

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

The discontinuation of any of the preferential tax treatments currently available to us in the PRC or imposition of any additional PRC taxes on us could adversely affect our financial condition and results of operations.

Pursuant to a Circular on Enterprise Income Tax Preferential Treatments issued by the State Administration of Taxation and the Ministry of Finance effective as of February 22, 2008, as partially amended by a Circular on Enterprise Income Tax Policies for Further Encouraging the Development of the Software Industry and the Integrated Circuit Industry, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years, followed by a 50% reduction in income tax, to a rate of 12.5%, for the subsequent three years. Shanghai SINA Leju was recognized as a qualified software enterprise in February 2009 and was further approved by the local tax authority in June 2009, and, thus, became eligible to be exempted from income tax for 2009, followed by a 50% reduction in income tax from 2010 through 2012. Another wholly owned subsidiary Shanghai Fangxin Information Technology Co. Ltd., or Shanghai Fangxin, was recognized as a qualified software enterprise and was further approved by the local tax authority in October 2012 to become eligible for being exempted from income tax for 2012 and 2013, followed by a 50% reduction in income tax from 2014 through 2016. Shanghai SINA Leju was granted status as a high and new technology enterprise and was entitled to enjoy a favorable statutory tax rate of 15% for 2013 and 2014. If Shanghai SINA Leju or Shanghai Fangxin fails to maintain software enterprise status or high and new technology enterprise status, their applicable enterprise income tax rate may increase to up to 25%, which could have a material and adverse effect on our financial condition and results of operations.

Various local governments in China have also provided discretionary preferential tax treatments to us. However, at any time, these local governments may decide to reduce or eliminate these preferential tax treatments. Furthermore, these local implementations of tax laws may be found in violation of national laws or regulations, and as a consequence, we may be subject to retroactive imposition of higher taxes as a result. We are required under U.S. GAAP to accrue taxes for these contingencies.

The change in accounting requirement for reporting tax contingencies, any reduction or elimination of these preferential tax treatments and any retroactive imposition of higher taxes could have an adverse effect on our results of operations.

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

We face uncertainties on the reporting and consequences on private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors who are non-PRC resident enterprises. According to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises issued by the PRC State Administration of Taxation on December 10, 2009, with retroactive effect from January 1, 2008, or SAT Circular 698, and its subsequent application rules, where a non-PRC resident enterprise transfers the equity interests in a PRC resident enterprise indirectly through a disposition of equity interests in an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-PRC resident enterprise, as the seller, shall report such Indirect Transfer to the competent tax authority of the PRC resident enterprise within 30 days of execution of the equity transfer agreement for such Indirect Transfer. The PRC tax authority will examine the true nature of the Indirect Transfer, and if the tax authority considers that the foreign investor has adopted an abusive arrangement without reasonable commercial purposes and for the purpose of avoiding or reducing PRC tax, they will disregard the existence of the overseas holding company that is used for tax planning purposes and re-characterize the Indirect Transfer. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at the rate of up to 10%. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us. SAT Circular 698 also points out that when a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the competent tax authorities have the power to make a reasonable adjustment on the taxable income of the transaction.

Dividends payable to us by our PRC subsidiaries may be subject to PRC withholding taxes or we may be subject to PRC taxation on our worldwide income, and dividends distributed to our investors may be subject to PRC withholding taxes under the EIT Law and our investors may be subject to PRC withholding tax on the transfer of our ordinary shares or ADSs.

Under the EIT Law and its implementation rules, all domestic and foreign invested companies would be subject to a uniform enterprise income tax at the rate of 25% and dividends from a PRC subsidiary to its foreign parent company will be subject to a withholding tax at the rate of 10%, unless such foreign parent company's jurisdiction of incorporation has a tax treaty with China that provides for a reduced rate of withholding, or the tax is otherwise exempted or reduced pursuant to PRC tax laws.

Under the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation), effective on October 1, 2009, our Hong Kong subsidiaries need to obtain approval from the relevant local branch of the State Administration of Taxation in order to enjoy the preferential withholding tax rate of 5% in accordance with the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income. The PRC State Administration of Taxation further clarified in a circular that tax treaty benefits will be denied to "conduit" or shell companies without business substance and that a

beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant the tax treaty benefits. It is unclear at this stage whether this circular applies to dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries. However, it is possible that our Hong Kong subsidiaries might not be considered as "beneficial owners" of any dividends from their PRC subsidiaries and as a result would be subject to withholding tax at the rate of 10%. As a result, there is no assurance that our Hong Kong subsidiaries will be able to enjoy the preferential withholding tax rate.

In addition, under the EIT Law, enterprises organized under the laws of jurisdictions outside of China with their "de facto management bodies" located within China may be considered PRC resident enterprises and therefore be subject to PRC enterprise income tax at the rate of 25% on their worldwide income. Under the implementation rules of the EIT Law, "de facto management bodies" are defined as the bodies that have material and overall management and control over the business, personnel, accounts and properties of the enterprise. A subsequent circular issued by the State Administration of Taxation provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a "resident enterprise" with its "de facto management bodies" located within China if the following requirements are satisfied: (i) the senior management and core management departments in charge of its daily operations function mainly in the PRC; (ii) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) its major assets, accounting books, company seals, and minutes and files of its board and shareholders' meetings are located or kept in the PRC; and (iv) more than half of the enterprise's directors or senior management with voting rights reside in the PRC.

The EIT Law and its implementation rules are relatively new and ambiguities exist with respect to the interpretation of the provisions relating to resident enterprise issues. Although our offshore holding companies are not controlled by any PRC company or company group, we cannot assure you that we will not be deemed to be a PRC resident enterprise under the EIT Law and its implementation rules. If we were considered a PRC resident enterprise, we would be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income; dividend income we receive from the PRC subsidiaries, however, may be exempt from PRC tax since such income is exempted under the EIT Law to a PRC resident recipient. However, as there is still uncertainty as to how the EIT Law and its implementation rules will be interpreted and implemented, and the PRC foreign exchange control authorities have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as PRC resident enterprises, we cannot assure you that we are eligible for such PRC enterprise income tax exemptions or reductions. In addition, ambiguities also exist with respect to the interpretation of the provisions relating to identification of PRC-sourced income. If we were considered a PRC resident enterprise, any dividends payable to non-resident holders of our ordinary shares or ADSs, and the gains such investors may realize from the transfer of our ordinary shares or ADSs, may be treated as PRC-sourced income and therefore be subject to a 10% PRC withholding tax (or 20% in the case of non-resident individual holders), unless otherwise exempted or reduced pursuant to treaties or applicable PRC law.

If we became a PRC resident enterprise under the new PRC tax system and received income other than dividends, our profitability and cash flows would be adversely affected due to our worldwide income being taxed in China under the EIT Law. Additionally, we would incur an incremental PRC dividend withholding tax cost if we distributed our profits to our ultimate shareholders. There is, however, not necessarily an incremental PRC dividend withholding tax on the piece of the profits distributed from our PRC subsidiaries, since they would have been subject to PRC dividend withholding tax even if we were not a PRC tax resident.

Foreign ownership of the real estate agency and brokerage business in China is restricted under PRC regulations. This may limit our ability to establish new PRC operating entities or to increase the registered capital of our existing entities in the future.

Currently, we mainly use City Rehouse, and its subsidiaries to provide support for our e-commerce business. Certain of the support services provided by City Rehouse and its subsidiaries are considered to be real estate agency and brokerage services under PRC laws. Pursuant to the latest Foreign Investment Industrial Guidance Catalogue, the PRC government classifies real estate agency and brokerage services within the restricted catalogue for foreign investment. Accordingly, the establishment of or investment in any company engaged in real estate agency and brokerage services in China by our PRC subsidiaries directly is, and by our PRC subsidiaries indirectly through their subsidiaries may be, subject to approval of the PRC Ministry of Commerce or its relevant local counterparts which should be obtained before registering such company with SAIC or its local counterparts. Although City Rehouse has not obtained approval from the competent local branch of the PRC Ministry of Commerce in connection with its establishment of, or investment in, its subsidiaries with the business scope of real estate brokerage business, each subsidiary of City Rehouse has obtained and maintained a business license with such business scope, and none of such subsidiaries has received any notice of warning or penalties from the competent authorities for lacking such approval. At the time of registration of each of its subsidiaries with the local SAIC, City Rehouse had not provided our full corporate structure to the local SAIC for review as it was not required by the local SAIC or applicable PRC law. However, if the relevant PRC government authorities require us to obtain the approval from the local branch of the PRC Ministry of Commerce for City Rehouse's ownership in its subsidiaries with the business scope of real estate brokerage business, it may be difficult and time-consuming for us to obtain such approval, or we may not be able to obtain it at all. The lack of such approval may lead to our relevant subsidiary being ordered to cease conducting the relevant real estate brokerage business or becoming subject to warnings, fines or revocation of its licenses. In addition, these approval requirements may also limit our ability to set up new subsidiaries to provide similar support service to our e-commerce business.

In addition, pursuant to the relevant regulations regarding real estate agency and brokerage businesses, a real estate broker must conduct a filing with the real estate administrative authority within 30 days after issuance of its business license. We have completed the filing with the competent local real estate administrative authorities for our ten PRC operating entities which currently provide support services considered to be real estate agency and brokerage services under the PRC law. In addition, among our other 21 PRC operating entities with the business scope of real estate brokerage business which are intended to provide support services to our e-commerce business, we are in the process of making such filings with the relevant local real estate administrative authorities for three entities, and are in the process of preparing the relevant application documents with respect to all the remaining 18 entities which intend to make such filings. The requirements of the local real estate administrative authority for such filing may vary in different cities and we cannot assure you that we will be able to complete such filing in a timely manner or at all. If we fail to properly complete such filings, it may limit the ability of the relevant PRC operating entities to provide similar support service to our e-commerce business.

Our auditor, like other independent registered public accounting firms operating in China, is not permitted to be subject to inspection by the Public Company Accounting Oversight Board, and as such, investors may be deprived of the benefits of such inspection.

Our independent registered public accounting firm that issued the audit reports included in this prospectus filed with the SEC, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, is required by the laws of the United States to undergo regular inspections by PCAOB to assess its compliance with the laws of the United States and professional standards. Because our

auditor is located in China, a jurisdiction where PCAOB is currently unable to conduct inspections without the approval of the PRC authorities, our auditor, like other independent registered public accounting firms operating in China, is currently not inspected by PCAOB.

Inspections of other firms that PCAOB has conducted outside of China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The inability of PCAOB to conduct inspections of independent registered public accounting firms operating in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections and lose confidence in our reported financial information and procedures and the quality of our financial statements.

Proceedings instituted by the SEC against five PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the Chinese affiliates of the "big four" accounting firms, (including our auditors) and also against Dahua (the former BDO affiliate in China). The Rule 102(e) proceedings initiated by the SEC relate to these firms' inability to produce documents, including audit work papers, in response to the request of the SEC pursuant to Section 106 of the Sarbanes-Oxley Act of 2002, as the auditors located in the PRC are not in a position lawfully to produce documents directly to the SEC because of restrictions under PRC law and specific directives issued by the China Securities Regulatory Commission. The issues raised by the proceedings are not specific to our auditors or to us, but affect equally all audit firms based in China and all China-based businesses with securities listed in the United States.

In January 2014, the administrative judge reached an Initial Decision that the "big four" accounting firms should be barred from practicing before the Commission for six months. However, it is currently impossible to determine the ultimate outcome of this matter as the accounting firms have filed a Petition for Review of the Initial Decision and pending that review the effect of the Initial Decision is suspended. The SEC Commissioners will review the Initial Decision, determine whether there has been any violation, and if so, determine the appropriate remedy to be placed on these audit firms. Once such an order was made, the accounting firms would have a further right to appeal to the US Federal courts, and the effect of the order might be further stayed pending the outcome of that appeal.

Depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, including possible delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor concerns regarding China-based, United States listed companies and the market price of our ADSs may be adversely affected.

Risks Related to Our ADSs

An active trading market for our shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly.

We have applied to list our ADSs on the NYSE. Prior to the completion of this offering, there has been no public market for our ADSs or our ordinary shares underlying the ADSs, and we cannot assure you that a liquid public market for our ADSs will develop. If an active public market for our ADSs does not develop following the completion of this offering, the market price and liquidity of our ADSs may be materially and adversely affected. Even if an active public market for our ordinary shares

or ADSs develops, we cannot assure you that it will continue. The initial public offering price for our ADSs will be determined by negotiation between us and the underwriters based upon several factors, and we can provide no assurance that the trading price of our ADSs after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

The trading prices of our ADSs are likely to be volatile, which could result in substantial losses to investors.

The trading prices of our ADSs are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other similarly situated companies in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of these Chinese companies' securities after their offerings, including companies in the internet, real estate and real estate services businesses, may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting or other practices at other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have engaged in such practices. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, such as the large decline in share prices in the United States, China and other jurisdictions in late 2008, early 2009, the third quarter of 2011 and the second quarter of 2012, which may have a material adverse effect on the market price of our ADSs.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our net revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships, or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- fluctuations in our operating metrics;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- detrimental negative publicity about us, our competitors or our industry;
- regulatory developments affecting us or our industry; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

The approval of the China Securities Regulatory Commission may be required in connection with this offering and, if required, we cannot assure you that we will be able to obtain such approval.

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or CSRC, promulgated the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. This regulation, among other things, requires offshore special purpose vehicles, or SPVs, formed for the purpose of an overseas listing and controlled by PRC companies or individuals, to obtain CSRC approval prior to listing their securities on an overseas stock exchange. The application of this regulation remains unclear. Our PRC legal counsel, Fangda Partners, has advised us that, based on their understanding of the current PRC laws, rules and regulations, neither CSRC approval nor any other governmental authorization is required under the M&A Rules in the context of this offering because the ownership structures of our PRC subsidiaries and consolidated VIEs were not established through acquisition of equity interests or assets of any PRC domestic company by foreign entities as defined under the M&A Rules.

However, we have been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of the PRC law, and there can be no assurance that the PRC government will ultimately take a view that is not contrary to the above opinion of our PRC legal counsel. If it is determined that the CSRC approval is required for this offering, we may face sanctions by CSRC or other PRC regulatory agencies for failure to seek the CSRC approval for this offering. These sanctions may include fines and penalties on our operations in the PRC although, to our knowledge, no definitive rules or interpretations have been issued to determine or quantify such fines or penalties, delays or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our PRC subsidiaries, or other actions that may have a material adverse effect on our business and the trading price of our ADSs. CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable to us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 for so long as we are an emerging growth company until the fifth anniversary from the date of our initial listing.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. If we elect not to comply with the abovementioned auditor attestation requirements or to comply with new or revised accounting standards, our investors may not have access to certain information they may deem important.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

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

- the rules under the Exchange Act requiring the filing with the SEC, of quarterly reports on Form 10-Q or current reports on Form 8-K;

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

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

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our ADSs could adversely affect their market price.

Sales of substantial amounts of our ADSs in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. There will be ADSs (equivalent to ordinary shares) outstanding immediately after this offering, or ADSs (equivalent to ordinary shares) if the underwriters exercise their options to purchase additional ADSs in full. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. In connection with this offering, we and our officers, directors and E-House have agreed not to sell any shares or ADSs for 180 days after the date of this prospectus without the prior written consent of the underwriters. However, the underwriters may release the securities subject to lock-up agreements from the lock-up restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc. [In addition, ordinary shares subject to our outstanding options as of the closing of this offering will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act.] We may also issue additional options in the future which may be exercised for additional ordinary shares. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

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

If you purchase ADSs in this offering, you will pay more for each ADS than the corresponding amount paid by existing shareholders for their ordinary shares. As a result, you will experience immediate and substantial dilution of approximately \$ _____ per ADS (assuming that no outstanding options to acquire ordinary shares are exercised). This number represents the difference between our pro forma net tangible book value per ADS of \$ _____ as of _____, after giving effect to this offering and the assumed initial public offering price of \$ _____ per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus. See "Dilution" for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

Our articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.

We will adopt our amended and restated memorandum and articles of association that will become effective immediately upon completion of this offering. Our new memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS, or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2013 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our existing articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. Currently, we do not plan to rely on home country practice with respect to any corporate governance matter. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital—Differences in Corporate Law."

Judgments obtained against us by our shareholders may not be enforceable in our home jurisdiction.

We are a Cayman Islands company and a substantial majority of our assets are located outside of the United States. A significant percentage of our current operations are conducted in China. In addition, a significant majority of our current directors and officers are nationals and residents of countries other than the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the United States federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

There are uncertainties as to whether Cayman Islands courts would:

- recognize or enforce against us judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws; and
- impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature.

There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree and such use may not produce income or increase our ADS price.

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a

manner that would improve our results of operations or increase our ADS price, or that these net proceeds will be placed only in investments that generate income or appreciate in value.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

As a holder of our ADSs, you will only be able to exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depository. Upon receipt of your voting instructions, the depository will vote the underlying ordinary shares in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying shares unless you withdraw the shares. Under our amended and restated memorandum and articles of association which will become effective immediately upon completion of this offering, the minimum notice period required for convening a general meeting is 7 days. When a general meeting is convened, you may not receive sufficient advance notice to withdraw the shares underlying your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, the depository will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote your shares. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

The depository for our ADSs will give us a discretionary proxy to vote our ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote, the depository will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depository with notice of meeting and related voting materials;
- we have instructed the depository that we do not wish a discretionary proxy to be given;
- we have informed the depository that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent our ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.

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

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

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depository of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depository may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depository may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

You may not be able to participate in rights offerings and may experience dilution of your holdings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depository will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depository may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

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

Your ADSs are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depository needs to maintain an exact number of ADS holders on its books for a specified period. The depository may also close its books in emergencies, and on weekends and public holidays. The depository may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the

depository are closed, or at any time if we or the depository thinks that it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement. As a result, you may be unable to transfer your ADSs when you wish to.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, and the NYSE, impose various requirements on the corporate governance practices of public companies. As a company with less than \$1.0 billion in revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year during which we have total annual gross revenues of at least \$1.0 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not

successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

We may be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes, which could subject United States investors in our ADSs or ordinary shares to significant adverse United States income tax consequences.

We will be classified as a "passive foreign investment company," or PFIC, if, in the case of any particular taxable year, either (i) 75% or more of our gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the average quarterly value of our assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income (the "asset test"). Although the law in this regard is unclear, we treat our consolidated affiliated entities as being owned by us for U.S. federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements. Assuming that we are the owner of our PRC consolidated affiliated entities for U.S. federal income tax purposes, and based upon our current income and assets (taking into account the proceeds from this offering) and projections as to the value of our ADSs and ordinary shares following the offering, we do not presently expect to be classified as a PFIC for the current taxable year or the foreseeable future.

While we do not expect to become a PFIC, because the value of our assets for purposes of the asset test will generally be determined by reference to the market price of our ADSs or ordinary shares, fluctuations in the market price of our ADSs or ordinary shares may cause us to become a PFIC for the current or subsequent taxable years. The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which will be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where we determine not to deploy significant amounts of cash for active purposes or not to treat our consolidated affiliated entities as owned by us for United States federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we are classified as a PFIC in any taxable year, a U.S. holder (as defined in "Taxation—United States Federal Income Tax Considerations") may incur significantly increased U.S. income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the U.S. federal income tax rules and such holders may be subject to burdensome reporting requirements. Further, if we are classified as a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. For more information see "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our anticipated growth strategies;
- our future business development, results of operations and financial condition;
- our ongoing relationships with E-House, SINA and Baidu, among others;
- expected changes in our revenues and certain cost or expense items;
- our ability to attract customers and further enhance our brand recognition; and
- trends and competition in the online real estate services industry.

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

This prospectus contains certain data and information that we obtained from various government and private publications, including reports published by independent industry consultants, namely eMarketer, Euromonitor, IDC and iResearch and other independent industry consultants. Statistical data in these publications also include projections based on a number of assumptions. Our industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of our industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

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

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$ _____, or approximately \$ _____ if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of \$ _____ per ADS, the midpoint of the price range shown on the front cover page of this prospectus. A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per ADS would increase (decrease) the net proceeds to us from this offering by \$ _____, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- approximately \$ _____ to enhance our technology infrastructure and develop new products and services for our online platform;
- approximately \$ _____ for geographic expansion, including adding new business lines in existing cities and converting outsourced operations to direct operations in approximately 30 smaller cities in various provinces in China; and
- the balance for general corporate purposes, including funding potential acquisitions of complementary businesses and strategic investments, although we are not currently negotiating any such transactions.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See "Risk Factors—Risks Related to Our ADSs—We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree and such use may not produce income or increase our ADS price."

Pending any use described above, we plan to invest the net proceeds in short-term, interest-bearing, debt instruments or demand deposits.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our PRC subsidiaries only through loans or capital contributions, and to our consolidated VIEs only through loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our PRC subsidiaries or make additional capital contributions to our PRC subsidiaries to fund their capital expenditures or working capital. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See "Regulation—Regulations relating to Foreign Exchange Control and Administration—Foreign Exchange Administration" and "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries."

We will not receive any of the proceeds from the sale of ADSs by the selling shareholder.

DIVIDEND POLICY

Our board of directors has complete discretion on whether to distribute dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We have not previously paid, and do not have any present plan to pay, any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain all of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Regulation—Regulations relating to Dividend Distributions."

Our board of directors has complete discretion as to whether to distribute dividends and intends on paying dividends only to the extent cash is available in the offshore entities. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2013:

- on an actual basis;
- on an as adjusted basis to reflect the sale of _____ ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of \$ _____ per ADS, the midpoint of the price range shown on the front cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

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

	As of December 31, 2013	
	Actual	As adjusted ⁽¹⁾
	(in thousands of \$)	
Shareholders' equity:		
Ordinary shares, \$0.001 par value, 500,000,000 shares authorized, 120,000,000 shares issued and outstanding on an actual basis, and shares issued and outstanding as adjusted	120	
Additional paid-in capital	686,378	
Accumulated deficit	(443,294)	
Subscription receivables	(120)	
Accumulated other comprehensive income	5,622	
Total Leju equity	248,706	
Non-controlling interest	3,084	
Total equity ⁽¹⁾	251,790	
Total capitalization ⁽²⁾	251,790	

Notes:

- (1) The as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual public offering price and other terms of this offering determined at pricing.
- (2) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deduction of underwriting discounts and commissions and the estimated offering expenses payable by us, a \$1.00 increase (decrease) in the assumed public offering price of \$ _____ per ADS would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by \$ _____ million.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of December 31, 2013 was approximately \$ _____, or \$ _____ per ordinary share as of that date, and \$ _____ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of \$ _____ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in such net tangible book value after December 31, 2013, other than to give effect to our issuance and sale of ADSs in this offering, at an assumed initial public offering price of \$ _____ per ADS, the mid-point of the estimated public offering price range, and after deduction of underwriting discounts and commissions and estimated offering expenses payable by us (assuming the over-allotment option is not exercised), our net tangible book value at December 31, 2013 would have been \$ _____ per outstanding ordinary share, including ordinary shares underlying our outstanding ADSs, or \$ _____ per ADS. This represents an immediate increase in net tangible book value of \$ _____ per ordinary share, or \$ _____ per ADS, to existing shareholders and an immediate dilution in net tangible book value of \$ _____ per ordinary share, or \$ _____ per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per ordinary share basis assuming that the initial public offering price per ordinary share is \$ _____ and all ADSs are exchanged for ordinary shares:

	Per Ordinary share	Per ADS
Assumed initial public offering price	\$ _____	\$ _____
Net tangible book value as of December 31, 2013	\$ _____	\$ _____
Net tangible book value as adjusted to give effect to this offering as of December 31, 2013	\$ _____	\$ _____
Amount of dilution in net tangible book value per ordinary share to new investors in the offering	\$ _____	\$ _____
Amount of dilution in net tangible book value per ADS to new investors in the offering	\$ _____	\$ _____

A \$1.00 change in the assumed public offering price of \$ _____ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease our net tangible book value after giving effect to the offering by \$ _____ million, the net tangible book value per ordinary share and per ADS after giving effect to this offering by \$ _____ per ordinary share and per ADS and the dilution in net tangible book value per ordinary share and per ADS to new investors in this offering by \$ _____ per ordinary share and per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses. Our net tangible book value following the

completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The following table summarizes, as of December 31, 2013, the differences between the shareholders as of December 31, 2013 and the new investors with respect to the number of ordinary shares purchased from us, the total consideration paid and the average price per ordinary share paid at an assumed initial public offering price of \$ _____ per ADS before deducting estimated underwriting discounts and commissions and estimated offering expenses.

	Ordinary shares Purchased		Total Consideration		Average Price Per Ordinary share	Average Price Per ADS
	Number	Percent	Amount (\$)	Percent	(\$)	(\$)
Existing shareholders						
New investors						
Total						

If the underwriters were to fully exercise the over-allotment option to purchase additional ordinary shares from us, the percentage of our ordinary shares owned by existing shareholders would be _____%, and the percentage of our ordinary shares held by new investors would be _____%.

A \$1.00 change in the assumed public offering price of \$ _____ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease total consideration paid by new investors, total consideration paid by all shareholders, average price per ordinary share and average price per ADS paid by all shareholders by \$ _____, \$ _____, \$ _____ and \$ _____, respectively, assuming the sale of _____ ADSs at \$ _____, the mid-point of the range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

EXCHANGE RATE INFORMATION

Substantially all of our operations are conducted in China and substantially all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.0537 to \$1.00, the noon buying rate in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2013. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, at the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On March 7, 2014, the noon buying rate was RMB6.1258 to \$1.00.

The following table sets forth, for the periods indicated, information concerning exchange rates between the Renminbi and the U.S. dollar based on the noon buying rate in New York City as certified for customs purposes by the Federal Reserve Bank of New York. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

<u>Period</u>	<u>Noon Buying Rate</u>			
	<u>Period End</u>	<u>Average⁽¹⁾</u> <u>(RMB per U.S. Dollar)</u>	<u>Low</u>	<u>High</u>
2009	6.8259	6.8295	6.8470	6.8176
2010	6.6000	6.7603	6.8330	6.6000
2011	6.2939	6.4475	6.6364	6.2939
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1478	6.2438	6.0537
August	6.1193	6.1213	6.1302	6.1123
September	6.1200	6.1198	6.1213	6.1178
October	6.0943	6.1032	6.1209	6.0815
November	6.0922	6.0929	6.0993	6.0903
December	6.0537	6.0894	6.0927	6.0815
2014				
January	6.0590	6.0509	6.0600	6.0402
February	6.1448	6.0810	6.1448	6.0591
March (through March 7, 2014)	6.1258	6.1322	6.1460	6.1183

Source: Federal Reserve Bank of New York

(1) Period averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and provides significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017 as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

We have been advised by our Cayman Islands legal counsel, Maples and Calder, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman

Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Fangda Partners, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would:

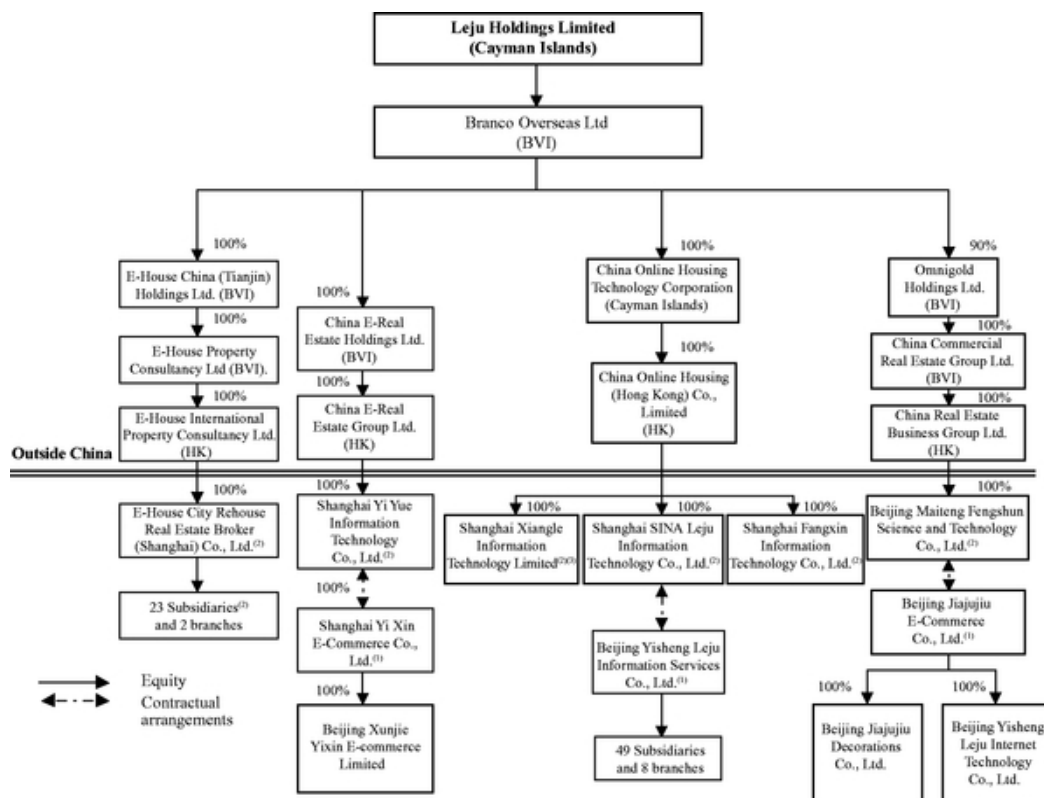
- recognize or enforce judgments of U.S. courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in the PRC against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Fangda Partners has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit.

CORPORATE HISTORY AND STRUCTURE

Leju Holdings Limited was incorporated in November 2013 by our parent company, E-House, a leading real estate services company in China listed on the NYSE. E-House will remain our parent company and controlling shareholder after this offering. Leju Holdings Limited is a holding company. Substantially all of our operations are conducted through the PRC subsidiaries and consolidated VIEs under China Online Housing, Omnigold, E-Real and E-House Tianjin, each of which became our subsidiary in December 2013 as part of a restructuring by E-House. China Online Housing was incorporated as a joint venture of SINA and E-House in 2008 to operate the SINA real estate and home furnishing websites and related business, including online advertising services. China Online Housing became a consolidated subsidiary of E-House in 2009 and a wholly owned subsidiary of E-House in 2012. Omnigold was incorporated by E-House in October 2010 to operate the home furnishing services business and is currently 90% owned by us. E-Real and E-House Tianjin were incorporated by E-House in June 2011 and March 2012, respectively and are wholly owned by us. E-Real was initially incorporated to operate in the real estate e-commerce business and E-House Tianjin supports our real estate e-commerce business.

The following diagram illustrates our corporate structure, including our principal operating subsidiaries and consolidated VIEs as of the date of this prospectus.



Note:

(1) Beijing Yisheng Leju Information Services Co., Ltd., or Beijing Leju is a VIE established in China in 2008 and is 80% owned by Mr. Xudong Zhu and 20% owned by Mr. Zuyu Ding, and each of Shanghai Yi Xin E-Commerce Co., Ltd., or Shanghai Yi Xin and Beijing Jiajuju E-Commerce Co., Ltd., or Beijing Jiajuju is a VIE established in China in 2011 and is 70% owned by Mr. Zuyu Ding and 30% owned by Mr. Weijie Ma. We effectively control Beijing Leju, Shanghai Yi Xin and Beijing Jiajuju through contractual arrangements. See "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajuju (the consolidated VIEs)."

- (2) The business scope of each of Shanghai Yi Yue Information Technology Co., Ltd., or Shanghai Yi Yue, Shanghai Xiangle Information Technology Limited, or Shanghai Xiangle, Shanghai SINA Leju Information Technology Co., Ltd., or Shanghai SINA Leju, Shanghai Fangxin Information Technology Co., Ltd., or Shanghai Fangxin, and Beijing Maiteng Fengshun Science and Technology Co., Ltd., or Beijing Maiteng, contains the business of development of computer software which falls in the encouraged category for foreign investment in the Foreign Investment Industrial Guidance Catalogue. The business scope of each of E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd., or City Rehouse, and all its subsidiaries contains the business of real estate brokerage service which falls in the restricted category for foreign investment in the Foreign Investment Industrial Guidance Catalogue. The other businesses listed in the business scope of each of Shanghai Yi Yue, Shanghai Xiangle, Shanghai SINA Leju, Shanghai Fangxin, Beijing Maiteng, and City Rehouse and all its subsidiaries are not listed in the Foreign Investment Industrial Guidance Catalogue and thus fall in the permitted category for foreign investment under PRC law.
- (3) We are in the process of deregistering Shanghai Xiangle.

Due to PRC legal restrictions on foreign ownership and investment in the internet information service and advertising businesses, we conduct such activities through contractual arrangements with our consolidated VIEs in China. Our e-commerce business with respect to new residential properties is operated through our contractual arrangements with Shanghai Yi Xin and its shareholders. Our e-commerce business with respect to home furnishing is operated through our contractual arrangements with Beijing Jiajujiu and its shareholders. Our online advertising business for new residential properties websites and our secondary listings business are operated through our contractual arrangements with Beijing Leju and its shareholders. We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their respective shareholders. These contractual arrangements enable us to (i) direct the activities that most significantly affect the economic performance of Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their subsidiaries and branches; (ii) receive substantially all of the economic benefits from the three consolidated VIEs and their subsidiaries in consideration for the services provided by our PRC subsidiaries; and (iii) have an exclusive option to purchase all or part of the equity interests in the consolidated VIEs, when and to the extent permitted by PRC law, or request any existing shareholder of the consolidated VIEs to transfer all or part of the equity interest in the consolidated VIEs to another PRC person or entity designated by us at any time in our discretion. These agreements make us their "primary beneficiary" for accounting purposes under U.S. GAAP. For descriptions of these contractual arrangements, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)."

As a result of these contractual arrangements, Leju through our PRC subsidiaries, is the primary beneficiary of these PRC entities and accounts for them as VIEs, and consolidates the financial results of these entities into our financial statements in accordance with U.S. GAAP. If our consolidated VIEs and their shareholders fail to perform their obligations under these contractual arrangements, we could be limited in our ability to exercise effective control over our consolidated VIEs. Further, if we are unable to maintain effective control over our consolidated VIEs, we would not be able to continue to consolidate our consolidated VIEs' financial results in our consolidated financial statements. Substantially all of our revenues are derived from our consolidated VIEs and we rely on dividends and service fees paid to us by our PRC subsidiaries and our consolidated VIEs in China. Entities apart from our consolidated VIEs contributed in aggregate 15.1%, 4.7% and 5.7% of our total net revenues in 2011, 2012 and 2013, respectively. Our operations not conducted through contractual arrangements with the consolidated VIEs primarily consist of outsourcing arrangements business, support services for online advertising business and agency services included with our e-commerce business. In 2011, 2012 and 2013, the total amount of service fees that our PRC subsidiaries received from our consolidated VIEs under all the service agreements between our PRC subsidiaries and consolidated VIEs was \$16.1 million, \$7.6 million and \$24.5 million, respectively. As of December 31, 2013, the amount of service fees payable to us by the consolidated VIEs was \$48.1 million, of which \$22.5 million has been paid to us during the first two months of 2014. We are subject to foreign exchange control restrictions and restrictions on foreign investment into our PRC subsidiaries and consolidated VIEs, and the

payment of dividends by our PRC subsidiaries to our Cayman holding company is subject to certain restrictions under the PRC laws and regulations, all of which may restrict our ability to access the revenues and cash of our PRC subsidiaries and consolidated VIEs. For a description of these contractual arrangements, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)" and "Risk Factors—Risks Related to Our Corporate Structure."

OUR RELATIONSHIP WITH E-HOUSE

We are a subsidiary of E-House, which will remain our parent company and controlling shareholder after this offering. E-House first reported its real estate online services business as a separate segment in its annual report on Form 20-F for the year ended December 31, 2009. Prior to this offering, E-House has provided us with accounting, administrative, marketing, internal control, customer service and legal support, and has also provided us with the services of a number of its executives and employees. Upon the completion of this offering, E-House will be our controlling shareholder, with a shareholding of % of our then outstanding ordinary shares assuming the underwriters do not exercise their over-allotment option. Upon becoming a stand-alone public company, we will contract with third parties to provide certain services to us as a public company, the costs of which may be higher than our current cost allocation with E-House for the same services.

Prior to the completion of this offering, we plan to enter into a series of agreements with E-House with respect to various ongoing relationships between us. These include a master transaction agreement, an offshore transitional services agreement, an onshore transitional services agreement, a non-competition agreement and an onshore cooperation agreement. The following are summaries of these agreements. For the complete text of these agreements, please see the copies included as exhibits to the registration statement filed with the SEC of which this prospectus is a part. For certain related risks, see "Risk Factors—Risks Related to Our Carve-out from E-House and Our Relationships with E-House."

Master Transaction Agreement

The master transaction agreement contains provisions relating to our carve-out from E-House. The master transaction agreement provides for cross-indemnities that generally will place the financial responsibility on us for all liabilities associated with the current and historical real estate online services business and operations that have been conducted by or transferred to us, and generally will place on E-House the financial responsibility for liabilities associated with all of E-House's other current and historical businesses and operations, in each case regardless of the time those liabilities arise. The master transaction agreement also contains indemnification provisions under which we and E-House will indemnify each other with respect to breaches of the master transaction agreement or any related inter-company agreement.

In addition, we have agreed to indemnify E-House against liabilities arising from misstatements or omissions in this prospectus or the registration statement of which it is a part, except for misstatements or omissions relating to information that E-House provided to us specifically for inclusion in this prospectus or the registration statement of which it forms a part. We also have agreed to indemnify E-House against liabilities arising from any misstatements or omissions in our subsequent SEC filings and from information we provide to E-House specifically for inclusion in E-House's annual or quarterly reports following the completion of this offering, but only to the extent that the information pertains to us or our business or to the extent E-House provides us prior written notice that the information will be included in its annual or quarterly reports and the liability does not result from the action or inaction of E-House. Similarly, E-House will indemnify us against liabilities arising from misstatements or omissions in its subsequent SEC filings or with respect to information that E-House provided to us specifically for inclusion in this prospectus, the registration statement of which this prospectus forms a part, or our annual or quarterly reports following the completion of this offering.

The master transaction agreement contains a general release, under which the parties will release each other from any liabilities arising from events occurring on or before the initial filing date of the registration statement of which this prospectus forms a part, including in connection with the activities to implement this offering. The general release does not apply to liabilities allocated between the parties under the master transaction agreement or the other inter-company agreements.

Furthermore, under the master transaction agreement, we have agreed to use our reasonable best efforts to use the same independent certified public accounting firm selected by E-House and to maintain the same fiscal year as E-House until the first E-House fiscal year-end occurring after the earlier of (i) the first date when E-House no longer owns at least 20% of the voting power of our then outstanding securities and (ii) the first date when E-House ceases to be the largest beneficial owner of our then outstanding voting securities (without considering holdings by certain institutional investors). We refer to this earlier date as the control ending date in this prospectus. We also have agreed to use our reasonable best efforts to complete our audit and provide E-House with all financial and other information on a timely basis so that E-House may meet its deadlines for its filing of annual and quarterly financial statements.

The master transaction agreement will automatically terminate five years after the first date upon which E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities. This agreement can be terminated early by mutual written consent of the parties.

Offshore Transitional Services Agreement

Under the offshore transitional services agreement, E-House agrees that, during the service period, E-House will provide us with various corporate support services, including:

- accounting support;
- administrative support;
- marketing support;
- internal control support;
- customer service support; and
- legal support.

E-House also may provide us with additional services that we and E-House may identify from time to time in the future. It may engage third parties to provide services covered by the offshore transitional service agreement.

The offshore transitional service agreement provides that the performance of a service according to the agreement will not subject the provider of such service to any liability whatsoever except as directly caused by the gross negligence or willful misconduct of the service provider. Liability for gross negligence or willful misconduct is limited to the lower of the price paid for the particular service or the cost of the service's recipient performing the service itself or hiring a third party to perform the service. Under the offshore transitional services agreement, the service provider of each service is indemnified by the recipient against all third-party claims relating to provision of services or the recipient's material breach of a third-party agreement, except where the claim is directly caused by the service provider's gross negligence or willful misconduct.

The price to be paid for the services provided under the offshore transitional service agreement shall be the actual direct costs and indirect costs of providing such services. Direct costs include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services as well as materials and supplies consumed in performing the services. Indirect costs include occupancy, information technology supervision and other overhead costs of the department incurring the direct costs of providing the service.

The offshore transitional services agreement provides for a service period commencing on the date when the registration statement on Form F-1 is first publicly filed with the SEC, and ending on the date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities or ceases to be the largest beneficial owner of our then outstanding voting

securities, without considering holdings of institutional investors that have acquired our securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing our control.

Either party may terminate the offshore transitional services agreement with respect to either all or part of the services by giving a 90-day prior written notice to the other party. The agreement provides for an early termination fee in the case of early termination by E-House, but does not quantify the amount of or specify the calculation method, for such fee.

Onshore Transitional Services Agreement

The onshore transitional services agreement adopts terms and conditions similar to those of the offshore transitional services agreement. Under the onshore transitional services agreement, Shanghai Real Estate Sales (Group) Co., Limited, an indirectly wholly owned subsidiary of E-House, or E-House Shanghai, agrees, during the applicable service period, to provide Beijing Leju, Beijing Jiajujiu, Shanghai Yi Xin, Shanghai SINA Leju, Beijing Maiteng, Shanghai Yi Yue and E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd., or the Leju PRC Entities, and/or their designated PRC affiliates, with various corporate support services, including accounting support, administrative support, internal control and internal audit support, marketing support, customer service support and legal support. E-House Shanghai also may provide the Leju PRC Entities with additional services that the Leju PRC Entities and E-House Shanghai may identify from time to time in the future. E-House Shanghai may engage its PRC affiliates or other third parties to provide services covered by the onshore transitional services agreement.

The price to be paid for the services provided under the onshore transitional services agreement shall be the actual direct costs and indirect costs of providing such services. Direct costs include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services as well as materials and supplies consumed in performing the services. Indirect costs include occupancy, information technology supervision and other overhead costs of the department incurring the direct costs of providing the service.

The onshore transitional services agreement provides for a service period commencing on the date when the registration statement on Form F-1 is first publicly filed with the SEC, and ending on the date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities or ceases to be the largest beneficial owner of our then outstanding voting securities, without considering holdings of institutional investors that have acquired our securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing our control.

Either E-House Shanghai or the Leju PRC Entities may terminate either all or part of the services by giving a 90-day prior written notice to the other party. The agreement provides for an early termination fee in the case of early termination by the Leju PRC Entities, but does not quantify the amount of or specify the calculation method, for such fee.

Non-competition Agreement

The non-competition agreement provides for a non-competition period beginning on the date of the agreement and ending on the later of (i) three years after the first date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities and (ii) five years after the date that the registration statement on Form F-1 is first publicly filed with the SEC. This agreement can be terminated early by mutual written consent of the parties.

E-House has agreed not to compete with us during the non-competition period in the business of providing real estate e-commerce, online advertising and listing services, anywhere in the world. We

have agreed not to compete with E-House during the non-competition period in any business conducted by E-House as described in its periodic filings with the SEC, other than the businesses we are engaged in as described in this prospectus.

The non-competition agreement also provides for a mutual non-solicitation obligation that neither E-House nor we may, during the non-competition period, hire, or solicit for hire, any active employees of or individuals providing consulting services to the other party, or any former employees of or individuals providing consulting services to the other party within six months of the termination of their employment or consulting services, without the other party's consent, except for solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in a hiring within the non-competition period.

Onshore Cooperation Agreement

Under this onshore cooperation agreement, E-House Shanghai, Beijing Leju, Beijing Jiajujiu and Shanghai Yi Xin agree that they will cooperate with each other in sharing information about potential demands for products and/or services and developing clients. If any party is aware that its customers, suppliers or other business partners may have demands for the products and/or services of the primary business of any other party, it will share such information with such other party, to the extent not in violation of any applicable law and its confidentiality obligations or other terms under any contract binding on such party. Furthermore, the parties agree to cooperate with each other, to the extent commercially reasonable and in the manner deemed to be appropriate, in referring the principal products and/or services of any other party, joint pitching for and negotiating with clients, and entering into agreements with clients. In the event the parties jointly enter into an agreement with a client, they shall determine their respective rights and obligations in writing through amicable negotiations, and based on the principle of fairness and the fair market values of the products and/or services offered by the parties. The parties agree not to charge any fees for their cooperation and assistance provided under the agreement unless they separately and explicitly agree otherwise.

The onshore cooperation agreement provides for a term commencing on its date of execution and ending on the date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities or ceases to be the largest beneficial owner of our then outstanding voting securities, without considering holdings of institutional investors that have acquired our securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing our control. The onshore cooperation agreement does not provide any early termination right.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of operations data and selected consolidated statement of cash flow data for the years ended December 31, 2011, 2012 and 2013 and selected consolidated balance sheet data as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. Our selected consolidated financial data also includes certain non-GAAP measures, which are not required by, or presented in accordance with, U.S. GAAP, but are included because we believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$, except share and per share data)		
Summary Consolidated Statement of Operations Data			
Revenues			
E-commerce	—	26,996	170,205
Online advertising	132,076	138,767	145,445
Listing	5,015	5,533	19,772
Total revenues	137,091	171,296	335,422
Cost of revenues	(37,583)	(54,118)	(63,991)
Selling, general and administrative expenses	(121,610)	(163,535)	(226,143)
Goodwill impairment charge	(417,822)	—	—
Other operating income	14	153	600
Income (loss) from operations	(439,911)	(46,203)	45,888
Interest income	676	257	1,082
Other loss, net	(1,026)	(1,979)	(1,185)
Income (loss) before taxes and equity in affiliates	(440,261)	(47,926)	45,785
Income tax benefit (expense)	2,010	4,077	(3,066)
Income (loss) before equity in affiliates	(438,250)	(43,849)	42,719
Loss from equity in affiliates	(2)	(1)	(69)
Net income (loss)	(438,252)	(43,849)	42,650
Less: Net income attributable to non-controlling interest	580	910	125
Net income (loss) attributable to Leju shareholders	(438,831)	(44,759)	42,525
Earnings (loss) per share:			
Basic	(3.66)	(0.37)	0.35
Diluted	(3.66)	(0.37)	0.35
Weighted average numbers of shares used in computation:			
Basic	120,000,000	120,000,000	120,000,000
Diluted	120,000,000	120,000,000	120,000,000

	As of	
	December 31,	
	2012	2013
	(in thousands of \$)	
Selected Consolidated Balance Sheet Data		
Cash and cash equivalents	71,090	98,730
Accounts receivable	86,652	87,316
Total current assets	178,968	222,788
Intangible assets, net	163,204	128,530
Total assets	393,867	402,938
Amounts due to related parties	83,143	4,501
Total current liabilities	159,661	123,584
Total liabilities	200,588	151,148
Total Leju equity	190,173	248,706

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$)		
Selected Consolidated Statements of Cash Flows Data			
Net cash provided by operating activities	11,175	3,325	83,423
Net cash used in investing activities	(26,618)	(18,159)	(16,657)
Net cash provided by (used in) financing activities	26,809	21,504	(41,360)
Net increase in cash and cash equivalents	12,709	6,836	27,639
Cash and cash equivalents at the beginning of the year	51,545	64,254	71,090
Cash and cash equivalents at the end of the year	64,254	71,090	98,730

Non-GAAP Financial Measures

The following table sets forth, for the periods specified, our adjusted income (loss) from operations, our adjusted net income (loss) and our adjusted net income (loss) attributable to Leju shareholders. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. These non-GAAP financial measures enable our management to assess our operating results without considering the impact of non-cash charges, including share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge. We also believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. These non-GAAP measures of our performance are not required by, or presented in accordance with, U.S. GAAP. Such measures are not a measurement of financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to income from operations, net income or any other performance measures derived in accordance with U.S. GAAP or an alternative to cash flows from operating activities as a measure of liquidity. Our presentation of such measures may not be comparable to similarly titled measures presented by other companies. You should not compare such measures as presented by us with the presentation of such measures by other companies because not all companies use the same definition.

We define adjusted income (loss) from operations as income (loss) from operations before share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge.

We define adjusted net income (loss) as net income (loss) before share-based compensation expense (net of tax), amortization of intangible assets resulting from business combinations (net of tax) and goodwill impairment charge (net of tax).

We define adjusted net income (loss) attributable to Leju shareholders as net income (loss) before share-based compensation expense (net of tax and non-controlling interests), amortization of intangible assets resulting from business combinations (net of tax and non-controlling interests) and goodwill impairment charge (net of tax and non-controlling interests).

The use of the above non-GAAP financial measures has material limitations as an analytical tool, as they do not include all items that impact our income (loss) from operations, net income (loss), and net income (loss) attributable to Leju shareholders for the period. We compensate for these limitations by providing the relevant disclosure of our share-based compensation expense, amortization of intangible assets results from business acquisitions, and goodwill impairment charge both in our reconciliations to the financial measures under U.S. GAAP, and in our consolidated financial statements, all of which should be considered when evaluating our performance.

The following table reconciles our adjusted income (loss) from operations, adjusted net income (loss) and adjusted net income (loss) attributable to Leju shareholders in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP:

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$)		
Income (loss) from operations	(439,911)	(46,203)	45,888
Share-based compensation expense ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions	21,321	22,079	22,017
Goodwill impairment charge	417,822	—	—
Adjusted income (loss) from operations	12,774	(8,990)	74,216
Net income (loss)	(438,252)	(43,849)	42,650
Share-based compensation expense (net of tax) ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions (net of tax)	18,535	19,082	14,482
Goodwill impairment charge (net of tax)	417,822	—	—
Adjusted net income (loss)	11,647	(9,633)	63,443
Net income (loss) attributable to Leju shareholders	(438,831)	(44,759)	42,525
Share-based compensation expense (net of tax and non-controlling interests) ⁽¹⁾	13,542	15,134	6,311
Amortization of intangible assets resulting from business acquisitions (net of tax and non-controlling interests)	18,342	18,719	14,197
Goodwill impairment charge (net of tax and non-controlling interests)	417,822	—	—
Adjusted net income (loss) attributable to Leju shareholders	10,875	(10,906)	63,033

(1) Share-based compensation expense includes share-based compensation expenses recorded by us as well as share-based compensation expenses allocated from E-House to us.

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

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

Overview

We are a leading O2O real estate services provider in China. We offer real estate e-commerce, online advertising and online listing services through our online platform, which comprises local websites covering over 250 cities and various mobile applications. We integrate our online platform with complementary offline services to facilitate residential property transactions. In addition to our own websites, we also operate various real estate and home furnishing websites of SINA and Baidu.

E-Commerce. We offer e-commerce services primarily in connection with new residential property sales. Our O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits and pre-sale customer support. We earn revenue primarily from the sale of discount coupons used for property purchases. Our revenues from e-commerce services in 2011, 2012 and 2013 were nil, \$27.0 million and \$170.2 million, respectively, representing nil, 15.8% and 50.7%, respectively, of our total revenues for those periods.

Online Advertising. We sell advertising primarily on the SINA and Baidu new residential properties and home furnishing websites, each of which is operated by us. In addition, we are the exclusive advertising agent for the SINA home page and non-real estate websites with respect to advertising sold to real estate and home furnishing advertisers. We also have the exclusive right to sell Baidu's Brand-Link product within the real estate industry. Our revenues from online advertising services in 2011, 2012 and 2013 were \$132.1 million, \$138.8 million and \$145.4 million, respectively, representing 96.3%, 81.0% and 43.4%, respectively, of our total revenues for those periods.

Listing. We offer fee-based online property listing services to real estate agents and free services to individual property sellers. We operate the SINA and Baidu real estate websites for listings of existing residential properties for sale or lease. Our revenues from listing services in 2011, 2012 and 2013 were \$5.0 million, \$5.5 million and \$19.8 million, respectively, representing 3.7%, 3.2% and 5.9%, respectively, of our total revenues for those periods.

We have experienced substantial growth in recent years. Our total revenues have increased from \$137.1 million in 2011 to \$171.3 million in 2012 to \$335.4 million in 2013. We incurred net losses of \$438.3 million in 2011 and \$43.8 million in 2012 and our net income was \$42.7 million in 2013. We had adjusted net income of \$11.6 million in 2011, adjusted net loss of \$9.6 million in 2012 and adjusted net income of \$63.4 million in 2013. Substantially all of our operations are in China. For information regarding adjusted net income (loss), see "Summary Consolidated Financial Data—Non-GAAP Financial Measures."

Significant Factors Affecting Our Results of Operations

The PRC real estate industry

Our results of operations have been, and are expected to continue to be, affected by the general performance of China's real estate industry. Conditions in China's real estate industry have a significant

impact on each of our business segments, and in particular on our new home business, which relies significantly on the volume of new property launches by property developments and market transaction volume. The following factors typically have a significant impact on China's real estate industry:

- *Economic growth, speed of urbanization and demand for residential and commercial properties in China.* China's economic growth has been primarily concentrated in China's urban areas, and economic growth, higher standards of living, population growth and urbanization are primary drivers of demand for the purchase or rental of residential properties. Because we focus on China's urban areas, China's economic growth and urbanization are important to our operations. The PRC property industry is dependent on the overall economic growth in China and the associated demand for residential properties.
- *Government policies.* The PRC government exercises considerable direct and indirect influence over the real estate industry through its policies and other economic measures. The PRC government regulates real estate purchases and taxation associated with real estate transactions. For greater detail see "Risk Factors—Risks Related to Our Business—Our business is susceptible to fluctuations in China's real estate industry, which may materially and adversely affect our results of operations" and "Risk Factors—Risks Related to Our Business—Our business may be materially and adversely affected by government measures aimed at China's real estate industry." The imposition of new policies, laws and regulations, or changes to current policies, laws and regulations, could have a material impact on the real estate market in China, which would affect our business, financial condition and results of operations.
- *Availability and cost of credit.* The availability and cost of credit have a substantial effect on customers' ability to purchase properties and the prices they can afford to pay. This impacts the number of properties that developers are able to market and sell, which is a significant factor affecting our results of operations. The PRC government regulates the proportion of the purchase price of a property that may be financed with credit and the price of credit is generally a function of benchmark interest rates. To the extent that fluctuations in interest rates or regulatory changes impact the availability and cost of financing for property purchases, conditions in the real estate industry, and our results of operations, would be affected.
- *Supply of new residential real estate projects.* The growth of the PRC real estate industry depends largely on the launch of new residential real estate projects at affordable prices. Factors such as the overall economy, competition and government land policies can affect the price and availability of new projects. The PRC government and relevant local authorities control various aspects of new projects, including the amount and cost of land for development, each of which affects the supply of new developments and our results of operations.

The PRC internet industry

We are an internet company and a majority of our revenue is generated from our e-commerce and online advertising services provided on our websites. Therefore, our results of operations are heavily dependent on the continued development of China's internet industry. The internet has emerged as an increasingly attractive and cost-effective advertising channel in China. However, the internet industry in China is heavily regulated. PRC laws, rules and regulations cover virtually every aspect of the internet industry, including entry into the industry, the scope of permissible business activities and foreign investment. Furthermore, the PRC government levies business taxes, value-added taxes, surcharges and cultural construction fees on advertising-related sales in China, such as sales of our e-commerce, online advertising, listing and other value-added services. In addition, because certain of our PRC subsidiaries and consolidated VIEs currently qualify as "high and new technology enterprises," they enjoy tax holidays from the relevant PRC tax authorities or under local governmental policies. The imposition of

new laws and regulations, or changes to current laws and regulations, could have a material impact on our business, financial condition and results of operations.

Our ability to innovate and market acceptance of our e-commerce services

We operate in a competitive industry and the extent to which we are able to provide innovative e-commerce services that are attractive to developers and prospective property purchasers has a material effect on our results of operations. For example, we pioneered e-commerce services in China's real estate market in April 2011 by offering online auctions as a promotional tool for our partner developers. In early 2012, we introduced property price discount coupons as a means of generating buyers for our partner developers in conjunction with online advertising and offline customer origination. In November 2013, we formed a strategic partnership with CITIC, pursuant to which CITIC introduced Leju Loan through our online platform. Our results of operations will continue to be significantly affected by the extent to which our evolving e-commerce services, including any future innovations that we may introduce, achieve success in the market.

Our ability to maintain and expand our online platform

Consumers are able to access our services through various websites and mobile applications, our telephone call center and at property showrooms and other physical locations. Our internet presence includes local websites across China that we either operate directly or outsource to local outsourcing partners. We operate a variety of websites pursuant to our arrangements with SINA and Baidu. Since many of our customers in our new home business are one-time property buyers, we depend on our online platform as a key driver for bringing in new business. The costs of maintaining and expanding our online platform in order to continue to reach a broad base of customers, and our ability to maintain our relationships with SINA and Baidu, has a significant effect on our results of operations.

Our ability to compete effectively

We face competition in each of our main business activities. We compete with other e-commerce providers for market share in key markets, relationships with developers and for the acquisition of web traffic. We compete for talent with other online businesses and to a lesser extent with traditional businesses. Our industry has become increasingly competitive, and such competition may continue to intensify in future periods. As the barriers to entry for establishing internet-based businesses are typically low, it is possible for new entrants to emerge and rapidly scale up their operations. We expect additional companies to enter the online real estate and home-related internet service industry in China and a wider range of online services in this area to be introduced. See "Business—Competition."

Our ability to expand into new geographic areas in China

A majority of our revenues is concentrated in China's major urban centers including Beijing, Shanghai, Guangzhou and Tianjin. We expect them to continue to represent a significant portion of our revenues in the near term. We also plan to expand into new geographic areas and sectors and increase our market share in areas and sectors where we currently operate. As of December 31, 2013, we had established real estate-related content, search services, marketing and listing coverage of over 250 cities across China. Our ability to succeed in newly penetrated cities and cities where we intend to increase our presence will have a substantial impact on our results of operations, and we may incur significant additional operating expenses, including hiring new sales and other personnel, in order to expand our operations.

Selected Statement of Operations Items

Revenues

E-commerce. Our e-commerce revenues are principally generated from selling discount coupons to potential property buyers. The discount coupon allows a buyer to purchase specified properties from real estate developers at a discount greater than the price that we charge for the coupon. We recognize such e-commerce revenues upon obtaining confirmation that the discount coupon has been redeemed to purchase a property.

Online advertising. Revenues from online advertising services are generated principally from online advertising arrangements, sponsorship arrangements, and to a lesser extent, outsourcing arrangements and keyword advertising arrangements. Online advertising arrangements allow advertisers to place advertisements on particular areas of the websites we operate, in particular formats and over particular periods of time. Advertising revenues from online advertising arrangements are recognized ratably over the contract period of display. Sponsorship arrangements allow advertisers to sponsor a particular area on our websites in exchange for a fixed payment over the contract period. Advertising revenues from sponsorship arrangements are recognized ratably over the contract period. We also generate online advertising revenues from outsourcing certain regional sites for a fixed period of time to local outsourcing partners. In such cases, we earn a fixed advertising fee payable by the local outsourcing partner, which is responsible for website operation and advertising sale and is entitled to retain the fees generated by advertising sales. Our fixed fee is recognized ratably over the term of the contract. Keyword advertising revenues are recognized ratably over the contract period.

Listing. We provide online property listing services to secondary brokers and individual property sellers. Listing services entitle secondary brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee. Listing revenues are recognized ratably over the contract period of display.

Deferred revenues are recognized when payments are received in advance of revenue recognition.

Cost of revenues

Cost of revenues consists of costs associated with the operation of our websites, which includes fees paid to third parties for internet connection, internet content and services, editorial personnel related cost, amortization of intangible assets that relate to internet content, including our real estate advertising agreement with SINA, and the discounted present value of our payments for exclusive rights with Baidu; depreciation associated with website production equipment and fees paid to SINA for advertising on non-real estate SINA websites.

Selling, general and administrative expenses

Selling, general and administrative expenses comprise marketing expenses, compensation and benefits for personnel other than editorial personnel, expenses of third-party professional services, rental payments relating to office and administrative functions and depreciation, amortization of property and equipment used in our corporate offices and other administrative expenses. Our selling, general and administrative expenses also include amortization of intangible assets that do not relate to internet content, including our license agreement with SINA. Selling general and administrative expenses also include bad debt expenses. Bad debt can result from developer customers not paying amounts owing to us for services rendered and in cases where third parties to whom we outsource certain websites fail to pay fixed fees owed to us.

Marketing expenses primarily consist of costs for the promotion of corporate image, product marketing and direct marketing. We expense all marketing costs as incurred and classify these costs

under sales and marketing expense. Our direct marketing activities are primarily intended to attract subscribers for the online advertising services and potential property buyers to purchase our discount coupons.

Share-based compensation expense

In 2013 a portion of, and in 2011 and 2012 all of, our share-based compensation expense related to E-House's allocation to us of share-based compensation expenses of their senior management. These allocations were made using a proportional cost allocation method and were based on revenues, headcount as well as estimates of actual time spent on the provision of services attributable to our company.

In November 2013, we adopted a share incentive plan, or the Leju Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of shares that may be issued pursuant to all awards under the plan shall be 10,434,783 ordinary shares, or 8% of our total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan.

On December 1, 2013, we granted options to certain of our employees and certain of E-House's employees for the purchase of 7,192,000 ordinary shares at an exercise price of \$4.60 per share, pursuant to our share incentive plan. The options expire ten years from the date of grant. The options vest ratably at each grant date anniversary over a period of three years. The grant-date fair value of the options granted was \$2.21 per share. On December 16, 2013, we replaced 600,000 options granted to one of our senior management and one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged. On January 21, 2014, we replaced 60,000 options granted to one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged. There is no incremental compensation cost from the replacement.

As of the date of this prospectus, a total of 6,512,000 options and a total of 660,000 restricted shares have been granted and are outstanding under the Leju Plan. We will recognize a total of \$15.0 million of compensation cost for those options and restricted shares expected to vest over the requisite service period.

Other Operating Income

Our other operating income primarily relates to cash subsidies received by the Company's subsidiaries in the PRC from local governments to encourage us to operate in certain local districts.

Interest Income

We earn interest income primarily from bank deposits.

Other loss, net

Other loss (net) relates to amortized discounts relating to liability for our exclusive rights purchased from Baidu, in addition to foreign exchange loss/(gain).

Our reporting currency is the U.S. dollar, while certain of our subsidiaries have functional currencies other than the U.S. dollar, such as the Renminbi and Hong Kong dollar. Transactions in other currencies are recorded at the rates of exchange prevailing when the transactions occur. Transaction gains and losses are recognized in the consolidated statements of operations.

Income Tax

We are incorporated in the Cayman Islands as an exempted company. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax in the Cayman Islands. Our subsidiaries in the British Virgin Islands are not subject to income or capital gains tax in the British Virgin Islands. Our subsidiaries in Hong Kong are subject to a profit tax at the rate of 16.5% on assessable profit determined under relevant Hong Kong tax regulations.

The EIT Law applies a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. In addition, the EIT Law also provides a five-year transitional period starting from its effective date for those enterprises that were established before March 16, 2007, the date of promulgation of the EIT Law, and that were entitled to preferential income tax rates under the then effective tax laws or regulations.

Shanghai SINA Leju and Shanghai Fangxin Information Technology Co., Ltd., our subsidiaries in China, were granted software enterprise status, which qualifies these companies for certain tax exemptions. Shanghai SINA Leju is exempt from 100% of income taxes for 2009 and has a 50% income tax rate reduction to 12.5% from 2010 through 2012. Shanghai Fangxin Information Technology Co., Ltd. is exempt from 100% of income taxes for 2012 and 2013 and has a 50% reduction in its income tax rate, or a rate of 12.5%, from 2014 through 2016. Shanghai SINA Leju was designated a High and New Technology Enterprise entitled to a favorable statutory tax rate of 15% for 2013 and 2014.

We have a tax benefit due to losses incurred in past years. Under PRC tax law we are permitted to carry forward losses for up to five years. We may have a tax benefit for periods for which our Company was profitable on a consolidated basis to the extent our consolidated entities that incurred losses during the period were subject to income tax at a higher effective tax rate as compared with consolidated entities that earned profits during the period.

Under the EIT Law, dividends payable to a non-PRC resident enterprise from our PRC subsidiaries are subject to a withholding tax which may be as high as 20%, although under the detailed implementation rules of the EIT Law promulgated by the PRC authorities the effective withholding tax is currently 10%. Dividends of PRC subsidiaries that are directly held by Hong Kong entities may benefit from a reduced withholding tax rate of 5% pursuant to the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, subject to the approval from the relevant local branch of the State Administration of Taxation in accordance with the Administrative Measures on Tax Treaty Treatment of Nonresidents (Trial) and other relevant tax rules. Our Hong Kong subsidiaries have not sought approval for such preferential withholding tax rate, given that no dividends have been paid by their respective PRC subsidiaries. Dividends from our Hong Kong subsidiaries are exempt from withholding tax. Dividend payments are not subject to withholding tax in the British Virgin Islands or the Cayman Islands.

Under the EIT Law, enterprises that are established under the laws of foreign countries or regions and whose "de facto management bodies" are located within the PRC territory are considered PRC resident enterprises, and will be subject to the PRC enterprise income tax at the rate of 25% on their worldwide income. Under the implementation rules of the EIT Law, "de facto management bodies" are defined as the bodies that have material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise. It remains unclear how the PRC tax authorities will interpret such a broad definition. We cannot assure you that we will not be deemed to be a PRC resident enterprise under the EIT Law and be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income. See "Risk Factors—Risks Related to Doing

Business in China—Dividends payable to us by our PRC subsidiaries may be subject to PRC withholding taxes or we may be subject to PRC taxation on our worldwide income, and dividends distributed to our investors may be subject to PRC withholding taxes under the EIT Law and our investors may be subject to PRC withholding tax on the transfer of our ordinary shares or ADSs."

Loss from equity in affiliates

Affiliate companies are entities over which we have significant influence but do not control. Investment in affiliates is accounted for using the equity method of accounting. Under this method, our share of the post-acquisition profits or loss of affiliated companies is recognized as income/(loss) from equity in affiliates in the income statement.

Net income attributable to non-controlling interest

Net income attributable to non-controlling interest relates to the minority interest in non-wholly-owned subsidiaries that we consolidate.

Critical Accounting Policies

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates.

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur, could materially impact the consolidated financial statements. We believe that the following accounting policies involve a higher degree of judgment and complexity in their application and require us to make significant accounting estimates. The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this prospectus.

Revenue Recognition

We recognize revenue when there is persuasive evidence of an arrangement, service has been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Revenues are recorded, net of sales related taxes.

We generate online real estate revenues principally from e-commerce, online advertising, and listing services.

We offer e-commerce services primarily in connection with our O2O services for new residential properties include facilitating property viewing, online deposit payments, discount coupon advertising, and online property auctions. We earn revenue primarily from the sale of discount coupons used for property purchases. Those discount coupons allow buyers to purchase specified properties from real estate developers at discounts greater than the purchase price of the discount coupons charged by us. We recognize such e-commerce revenues upon obtaining confirmation letters that prove the use of coupons by property buyers, and when collections of the revenue from sales of discount coupons are reasonably assured.

Revenue from online advertising services is generated principally from online advertising arrangements, sponsorship arrangements, and to a lesser extent, outsourcing arrangements, and

keyword advertising arrangements. Online advertising arrangements allow advertisers to place advertisements on particular areas of the websites we operate, in particular formats and over particular periods of time. Advertising revenues from online advertising arrangements are recognized ratably over the contract period of display when collectability is reasonably assured. Sponsorship arrangements allow advertisers to sponsor a particular area on our websites in exchange for a fixed payment over the contract period. Advertising revenues from sponsorship arrangements are recognized ratably over the contract period. We also generate online advertising revenues from outsourcing certain regional sites for a fixed period of time to local outsourcing partners, who are responsible for both website operation and related advertising sales. Advertising revenues from outsourced websites are recognized ratably over the term of the contract. Keyword advertising revenues are recognized ratably over the contract period when collectability is reasonably assured.

We also provide listing services to real estate brokers. Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee. Listing revenues are recognized ratably over the contract period of display when collectability is reasonably assured.

Effective January 1, 2011, we adopted the provisions of Financial Accounting Standards Board, or FASB, Accounting Standards Update, or ASU, 2009-13, "Multiple-Deliverable Revenue Arrangements," prospectively for all new and materially modified arrangements. ASU 2009-13 requires us to allocate revenue to arrangement deliverables using the relative selling price method.

There are no multiple elements arrangements within the services provided by us.

However, our parent company, E-House, has multiple element arrangements that may include provision of online advertising services provided by us. The multiple element arrangements may affect the revenue recognition of us. E-House has determined that each of the deliverables is considered a separate unit of account as each has value to the customer on a standalone basis and has been sold separately on a standalone basis, there is no general right of return on delivered items and the delivery or performance of the undelivered item(s) is considered probable and substantially in the control of E-House.

E-House allocates arrangement consideration in multiple-deliverable revenue arrangements at the inception of an arrangement to all deliverables based on the relative selling price in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence, or VSOE, if available; (ii) third-party evidence, or TPE, if VSOE is not available; and (iii) best estimate of selling price, or BESP, if neither VSOE nor TPE is available.

VSOE. E-House determines VSOE based on its historical pricing and discounting practices for the specific service when sold separately. In determining VSOE, E-House requires that a substantial majority of the selling prices for these services fall within a reasonably narrow pricing range. E-House has historically priced its commission rate for the primary real estate services, periodic consulting services, subscription of E-House's real estate information database and online advertising within a narrow range. As a result, E-House has used VSOE to allocate the selling price for these services when they are elements of a multiple element arrangement.

TPE. When VSOE cannot be established for deliverables in multiple element arrangements, E-House applies judgment with respect to whether it can establish a selling price based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, E-House's marketing strategy differs from that of its peers and its offerings contain a significant level of differentiation such that the comparable pricing of services with similar functionality cannot be obtained. Furthermore, E-House is unable to reliably determine what similar competitor services' selling prices are on a stand-alone basis. As a result, E-House has not been able to establish selling price based on TPE.

BESP. When it is unable to establish selling price using VSOE or TPE, E-House uses BESP in its allocation of arrangement consideration. The objective of BESP is to determine the price at which E-House would transact a sale if the service were sold on a stand-alone basis. E-House determines BESP for deliverables by considering multiple factors including, but not limited to, prices it charged for similar offerings, market conditions, specification of the services rendered and pricing practices. E-House has used BESP to allocate the selling price of project-based consulting service and promotional event services under these multiple element arrangement. The process for determining BESP involves management judgment. E-House's process considers multiple factors that may vary depending upon the unique facts and circumstances related to each deliverable. If the facts and circumstances underlying the factors E-House considers change, or should subsequent facts and circumstances lead E-House to consider additional factors, E-House's BESP could change in future periods. E-House regularly reviews the evidence of selling price for its services and maintains internal controls over the establishment and updates of these estimates. There were no material changes in estimated selling price for its services during the years ended December 31, 2011 and 2012, nor does E-House expect a material changes in BESP in the foreseeable future.

If E-House had applied the provisions of ASU 2009-13 for the year ended December 31, 2010, there would have been no material effect on revenue during that period. Additionally, the adoption of ASU 2009-13 did not have a material effect on revenue for the years ended December 31, 2011 and 2012 when compared to the revenue that would have been recognized under the guidance in effect prior to adoption of ASU 2009-13. The effect of adopting this guidance in future periods will depend on the nature of E-House's customer arrangements in those periods, including the nature of services included in those arrangements, the magnitude of revenue associated with certain deliverables in those arrangements, and the timing of delivery of the related services in those arrangements, among other considerations.

Deferred revenues are recognized when payments are received in advance of revenue recognition.

Variable Interest Entities

PRC laws and regulations currently restrict foreign entities without the required operating track record from investing in companies that provide internet content and advertising services in China. Since we have not been involved in internet information services or advertising services outside China to satisfy the track record requirement, to comply with the PRC laws and regulations, we conduct substantially all of our online advertising and e-commerce business through Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, our consolidated VIEs, and their subsidiaries and branches. We have, through three of our subsidiaries in the PRC, entered into contractual arrangements with Beijing Leju, Shanghai Yi Xin, Beijing Jiajujiu and their shareholders such that Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu are considered VIEs for which we are considered their primary beneficiary. We believe we have substantive kick-out rights pursuant to the terms of the exclusive call option agreements, which give us the power to control the shareholders of these consolidated VIEs. More specifically, we believe that the terms of the exclusive call option agreements are currently exercisable and legally enforceable under PRC laws and regulations. We also believe that the minimum amount of consideration permitted by the applicable PRC law to exercise the option does not represent a financial barrier or disincentive for us to exercise our rights under the exclusive call option agreements. Under our shareholder voting rights proxy agreements with the consolidated VIEs and their shareholders, each of the shareholders of the consolidated VIEs irrevocably grants any person designated by us the power to exercise all voting rights to which he is entitled to as shareholder of the consolidated VIEs at that time. Therefore, we believe this gives us the power to direct the activities that most significantly impact the consolidated VIEs' economic performance. We believe that our ability to exercise effective control, together with the exclusive technical support agreements and the equity pledge agreements, give us the rights to receive substantially all of the economic benefits from the consolidated VIEs in consideration for the services

provided by our subsidiaries in China. Accordingly, as the primary beneficiary of the consolidated VIEs and in accordance with U.S. GAAP, we consolidate their financial results and assets and liabilities in our consolidated financial statements.

In 2011, 2012 and 2013, entities apart from our consolidated VIEs contributed in aggregate 15.1%, 4.7% and 5.7%, respectively, of our total net revenues. Our operations not conducted through contractual arrangements with our consolidated VIEs primarily consist of outsourcing arrangements business, support services for online advertising business and agency services included with our e-commerce business. As of December 31, 2012 and 2013, entities apart from our consolidated VIEs accounted for an aggregate of 46.9% and 46.6%, respectively, of our total assets. The assets not associated with our consolidated VIEs primarily consist of cash, intangible assets and goodwill.

Pursuant to contractual arrangements that Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng have with our consolidated VIEs, the earnings and cash of our consolidated VIEs are used to pay service fees in Renminbi to three of our PRC subsidiaries in the manner and amount set forth in these agreements. After paying the applicable withholding taxes and making appropriations for its statutory reserve requirement, the remaining net profits of our PRC subsidiaries would be available for distribution to our offshore companies. As of December 31, 2013, the net assets of our PRC subsidiaries and our consolidated VIEs which were restricted due to statutory reserve requirements and other applicable laws and regulations, and thus not available for distribution, was in aggregate \$30.2 million. As an offshore holding company of our PRC subsidiaries and consolidated VIEs, we may make loans to our PRC subsidiaries and consolidated VIEs. Any loans to our PRC subsidiaries are subject to registrations with relevant governmental authorities in China. We may also finance our subsidiaries by means of capital contributions. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries."

Furthermore, cash transfers from our PRC subsidiaries to our offshore companies are subject to PRC government control of currency conversion. Restrictions on the availability of foreign currency may affect the ability of our PRC subsidiaries and our consolidated VIEs to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. See "Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may affect the value of your investment."

We believe that our contractual arrangements with the consolidated VIEs are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit the our ability to enforce these contractual arrangements and the interests of the shareholders of the consolidated VIEs may diverge from that of our company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the consolidated VIEs not to pay the service fees when required to do so.

Allowance of Accounts Receivable

We regularly review the creditworthiness of our customers, and require collateral or other security from our customers in certain circumstances, including existing properties or a right to properties under construction, when accounts receivable become significantly overdue or customer deposits become due but are not duly paid by the real estate developers. In the event of nonpayment, we would then resell the properties or the right to properties under construction for cash. The collection of these secured accounts receivable is dependent on the resale price of the underlying properties, which is subject to the then market conditions.

The carrying value of accounts receivable is reduced by an allowance that reflects our best estimate of the amounts that will not be collected. We make estimations of the collectability of accounts receivable. Many factors are considered in estimating the allowance, including but not limited to reviewing delinquent accounts receivable, performing aging analyses and customer credit analyses, and analyzing historical bad debt records and current economic trends. Additional allowance for specific doubtful accounts might be made if our customers are unable to make payments due to their deteriorating financial conditions.

Evaluation of Goodwill

We perform an annual goodwill impairment test comprised of two steps. The first step compares the fair value of the company to its carrying amount, including goodwill and indefinite lived intangible assets. If the fair value of the company exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of the company exceeds its fair value, the second step compares the implied fair value of goodwill and indefinite lived intangible assets to the carrying value of the company's goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the company. The excess of the fair value of the company over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. This allocation process is only performed for purposes of evaluating goodwill impairment and does not result in an entry to adjust the value of any assets or liabilities. An impairment loss is recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill.

We perform a goodwill impairment test for the company as of December 31 of each year or when there is a triggering event causing us to believe it is more likely than not that the carrying amount of goodwill may be impaired.

We utilized the income approach valuation method (level 3). When determining the fair value of the company, we are required to make significant judgments that we believe are reasonable and supportable considering all available internal and external evidence at that time.

However, these estimates and assumptions by their nature require a higher degree of judgment. Fair value determinations are sensitive to changes in the underlying assumptions and factors including (i) those relating to estimating future operating cash flows to be generated from the company, which is dependent upon internal forecasts and projections developed as part of our routine, long-term planning process; (ii) our strategic plans; and (iii) estimates of long-term growth rates taking into account our assessment of the current economic environment and the timing and degree of any economic recovery.

The assumptions with the most significant impact on the fair value of the company are those relating to (i) future operating cash flows, which are forecasted for a five-year period from management's budget and planning process; (ii) the terminal value, which is included for the period beyond five years from the balance sheet date based on the estimated cash flow in the fifth year and a terminal growth rate of 2%; and (iii) pre-tax discount rates, which are identified and applied by market-based inputs based on an estimation of weighted average cost of capital considering cost of debt, risk-free rate, equity risk premium, beta, size premium, company-specific risk premium and capital structure. The pre-tax discount rates used for the year ended December 31, 2012 and 2013 were 16.5% and 16.7%, respectively.

Examples of events or circumstances that could reasonably be expected to negatively affect the underlying key assumptions and ultimately impact the estimated fair values of the company may include: (i) deterioration of local economies or further slowdown of China's real estate market under the government's continued restrictive policies and further credit tightening measures, which could lead to changes in projected cash flows of us; (ii) an economic recovery that significantly differs from our assumptions, which could change the future growth rate and the terminal growth rate; and (iii) higher

cost of capital in the markets, which could result in a higher discount rate. If the assumptions used in the impairment analysis are not met or materially change, we may be required to recognize a goodwill impairment loss which may be material to the financial condition of us.

2013:

Under the first step of the goodwill impairment testing for the year ended December 31, 2013, the fair value of the company was approximately 135.5% in excess of its carrying value. We were not at risk of failing the first step of impairment testing.

2012:

Under the first step of the goodwill impairment testing for the year ended December 31, 2012, the fair value of the company was approximately 19.1% in excess of its carrying value.

Significant increases in discount rate or decrease in future operating cash flows or terminal value in isolation would result in a significantly lower fair value measurement. We performed the following sensitivity analysis to show the maximum change (in isolation) of discount rate, future operating cash flow and terminal grow rate used in the income approach that would still result in the fair value of the company to be higher than its carrying value:

Discount rate increase:		Future free cash flow decreased by:	Terminal growth rate decrease:	
From	To		From	To
16.5%	18.6%	13.0%	2.0%	—

2011:

A substantial portion of the goodwill on our balance sheet relates to the acquisition of China Online Housing in 2009. Toward the end of the third quarter of 2011, China's real estate market showed signs of further slowdown under the government's continued restrictive policies and further credit tightening. The company's revenue growth started to slow down as developers became more pessimistic about increasing sales volume and more cautious with their advertising spending. We believed that this would result in slower than previously expected growth for our online business over the next several years. These circumstances prompted management to evaluate and test the fair value of the company against its carrying amount in accordance with U.S. GAAP. We concluded that the carrying amount of the company was higher than the fair value and consequently recorded a one-time goodwill impairment charge of \$417.8 million during the third quarter of 2011.

Based on the impairment tests performed, there was no goodwill impairment as of December 31, 2012 and 2013. We recorded a goodwill impairment charge of \$417.8 million, nil and nil for the year 2011, 2012 and 2013, respectively.

Share-based compensation

In November 2013, we adopted the Leju Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of shares that may be issued pursuant to all awards under the plan shall be 10,434,783 ordinary shares, or 8% of our total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan.

On December 1, 2013, we granted options to certain of our employees and certain of E-House's employees for the purchase of 7,192,000 ordinary shares at an exercise price of \$4.60 per share, pursuant to our share incentive plan. The options expire ten years from the date of grant. The options vest ratably at each grant date anniversary over a period of three years. The grant-date fair value of the

options granted was \$2.21 per share. On December 16, 2013, we replaced 600,000 options granted to one of our senior management and one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged. On January 21, 2014, we replaced 60,000 options granted to one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged. There is no incremental compensation cost from the replacement.

As of the date of this prospectus, a total of 6,512,000 options and a total of 660,000 restricted shares have been granted and are outstanding under the Leju Plan. We will recognize a total of \$15.0 million of compensation cost for those options and restricted shares expected to vest over the requisite service period.

We apply ASC 718, *Compensation—Stock Compensation*, or ASC 718, to account for our employee share-based payments.

In accordance with ASC 718, we determine whether an award should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees classified as equity awards are recognized in the financial statements based on their grant date fair values. Specifically, the grant date fair value of share options are calculated using an option pricing model. We have elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent we revise these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. We, with the assistance of an independent third party valuation firm, determined the fair value of the stock options granted to employees. The binominal option-pricing model was applied in determining the estimated fair value of the options granted to employees.

The following table presents the assumptions used to estimate the fair values of the share options granted:

	<u>2013</u>
Risk-free rate of return ⁽¹⁾	2.98%
Contractual life of option ⁽²⁾	10 years
Estimated volatility rate ⁽³⁾	56.74%
Dividend yield ⁽⁴⁾	0.00%

Note:

- (1) The risk-free rate of return is based on the 10 years US Sovereign Strips curve in effect at the time of grant for a term consistent with the expected term of the awards.
- (2) The contractual life of option is developed giving consideration to vesting period, contractual term and historical exercise pattern of options granted.
- (3) The estimated volatility rate is estimated based on the historical volatility ordinary shares of several comparable companies in the same industry.

- (4) The dividend yield was estimated based on our expected dividend policy over the expected term of the options. We have not previously paid, and do not have any present plan to pay, any cash dividends on our ordinary shares in the foreseeable future.

Determining the fair value of our ordinary shares required us to make complex and subjective judgments, assumptions and estimates, which involved inherent uncertainty. Had our management used different assumptions and estimates, the resulting fair value of our ordinary shares and the resulting share-based compensation expenses could have been different. We took into consideration of the guidance prescribed by the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Practice Aid, Valuation of Privately- Held-Company Equity Securities Issued as Compensation, or the Practice Aid.

As we have been a private company with no quoted market prices for our ordinary shares, we had to make estimates of the fair value of our ordinary shares at the date of the grant of share options to our senior management. The fair value of our ordinary shares as of December 1, 2013 is US\$4.55 per share. Given the absence of an active market for our ordinary shares prior to this offering, we engaged an independent appraiser, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, or JLL, to assist in performing contemporaneous valuations of our ordinary shares. The appraisal was performed using the contemporaneous method to determine the fair value of our ordinary shares as of the valuation date. Such appraisal provided us with guidelines in determining the fair value of the ordinary shares, but the determination was made by our management. The fair value of our ordinary shares was developed through the application of the income valuation technique known as the discounted cash flow method, or the DCF method. The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, our operating history and prospects as of the valuation date, the liquidity of our shares such as the anticipated timing of a sale of our company or an initial public offering, which is based on the plans made by our board and management. In addition to our estimated cash flows, which were based on our business prospects and financial forecasts as of valuation date, the following major assumptions were used in calculating the fair value of our ordinary shares:

Weighted average cost of capital or WACC

The WACCs were determined by using the capital asset pricing model, or CAPM, a method that market participants commonly use to price securities. Under CAPM, the discount rate was estimated based on a consideration of a number of factors, including risk-free rate, country risk premium, equity risk premium, size risk premium, and company-specific risk premium as of the valuation date. The risks associated with achieving our forecasts were appropriately assessed in our determination of the appropriate discount rates. If different discount rates had been used, the valuations could have been significantly different. WACC of 17.2% was used for date as of December 1, 2013.

Comparable companies

In deriving the WACCs, which are used as the discount rates under the income approach, certain publicly traded companies in similar industry, have similar business, and are subject to similar risks were selected for reference as our guideline companies.

Discount for lack of marketability

Discount for lack of marketability, or DLOM, was also applied to reflect the fact that there is no ready public market for our shares as we are a closely held private company. Under the Asian option-pricing method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as a basis to determine the discount for lack of marketability. Based on the analysis, DLOM of 6.3% was used for the valuation of our ordinary shares as of December 1, 2013.

The option-pricing method was used to allocate equity value of our company to ordinary shares, taking into account the guidance prescribed by the Practice Aid. This method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering, and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board and management.

However, these fair values are inherently uncertain and highly subjective. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: (i) no material changes in the existing political, legal and economic conditions in China; (ii) our ability to retain competent management, key personnel and staff to support our ongoing operations; and (iii) no material deviation in market conditions from economic forecasts.

Results of Operations

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

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$, except share and per share data)		
Revenues:			
E-commerce	—	26,996	170,205
Online advertising	132,076	138,767	145,445
Listing	5,015	5,533	19,772
Total revenues	137,091	171,296	335,422
Cost of revenues	(37,583)	(54,118)	(63,991)
Selling, general and administrative expenses	(121,610)	(163,535)	(226,143)
Goodwill impairment charge	(417,822)	—	—
Other operating income	14	153	600
Income (loss) from operations	(439,911)	(46,203)	45,888
Interest income	676	257	1,082
Other loss, net	(1,026)	(1,979)	(1,185)
Income (Loss) before taxes and equity in affiliates	(440,261)	(47,926)	45,785
Income tax benefit (expense)	2,010	4,077	(3,066)
Income (Loss) before equity in affiliates	(438,250)	(43,849)	42,719
Loss from equity in affiliates	(2)	(1)	(69)
Net income (loss)	(438,252)	(43,849)	42,650
Less: Net income attributable to non-controlling interest	580	910	125
Net income (loss) attributable to Leju shareholders	(438,831)	(44,759)	42,525
Earnings (loss) per share:			
Basic	(3.66)	(0.37)	0.35
Diluted	(3.66)	(0.37)	0.35
Weighted average numbers of shares used in computation:			
Basic	120,000,000	120,000,000	120,000,000
Diluted	120,000,000	120,000,000	120,000,000

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Total revenues. Total revenues increased 95.8% to \$335.4 million in 2013 from \$171.3 million in 2012, primarily due to increased revenues from our e-commerce business. E-commerce revenues increased 530.5% to \$170.2 million in 2013 from \$27.0 million in 2012 primarily due to a substantial increase in discount coupon sales as a result of the expansion of our e-commerce business through partnerships with more property developers. We began to sell discount coupons in the first quarter of 2012 and this business grew substantially in 2013. We sold a total of 231,008 discount coupons in 2013, 136,106 of which were redeemed. Online advertising revenues increased 4.8% to \$145.4 million in 2013 from \$138.8 million in 2012 primarily due to an increase in the volume of advertising sold. Listing revenues increased 257.4% to \$19.8 million in 2013 from \$5.5 million in 2012 primarily due to wider customer reach and an improved fee structure.

Cost of revenues. Cost of revenues increased 18.2% to \$64.0 million in 2013 from \$54.1 million in 2012 primarily due to increased fees paid to third parties for internet content and services in connection with our listing business since the fourth quarter of 2012, and increased editorial personnel headcount.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 38.3% to \$226.1 million in 2013 from \$163.5 million in 2012 primarily due to a 114.6% increase in marketing expenses to \$96.3 million in 2013 from \$44.9 million in 2012 resulting primarily from marketing events relating to our e-commerce business, in addition to increased salary and welfare expenses resulting from increased headcount, increased commission expenses resulting from improved sales, and increased bonus expenses resulting from improved profit. These effects were partially offset by a decrease in share-based compensation expenses following the full vesting of a portion of E-House options in 2012 and 2013 that were allocated to Leju.

Other operating income. Other operating income increased 291.2% to \$0.6 million in 2013 from \$0.2 million in 2012 due to increased cash subsidies received from local governments.

Income (Loss) from operations. As a result of the foregoing, our income from operations was \$45.9 million in 2013 compared to loss from operations of \$46.2 million in 2012.

Interest income. Interest income increased 320.8% to \$1.1 million in 2013 from \$0.3 million in 2012 due to increased funds on deposit and increased interest rates resulting from an increase in the average term of deposits.

Other loss, net. Other loss, net, decreased 40.1% to \$1.2 million in 2013 from \$2.0 million in 2012 due to a 50.3% reduction in amortized discounts related to liability for exclusive rights with Baidu to \$0.9 million in 2013 from \$1.9 million in 2012 resulting from a decrease in the balance payable to Baidu as a result of installments paid and an extended period for exclusive rights, in addition to a foreign exchange loss of \$0.2 million in 2013.

Income tax benefit (expense). Income tax expense was \$3.1 million in 2013, compared to income tax benefits of \$4.1 million in 2012, due to income before taxes and equity in affiliates of \$45.8 million in 2013 compared with a loss before taxes and equity in affiliates of \$47.9 million in 2012.

Net Income (Loss). As a result of the foregoing, we had a net income of \$42.7 million in 2013 compared to a net loss of \$43.8 million in 2012.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Total revenues. Total revenues increased 25.0% to \$171.3 million in 2012 from \$137.1 million in 2011, primarily due to revenues of \$27.0 million from our e-commerce business through sales of discount coupons, which commenced in early 2012. Online advertising revenues increased 5.1% to

\$138.8 million in 2012 from \$132.1 million in 2011 primarily due to an increase in the volume of advertising sold. Listing revenues increased 10.3% to \$5.5 million in 2012 from \$5.0 million in 2011 primarily due to increased listings.

Cost of revenues. Cost of revenues increased 44.0% to \$54.1 million in 2012 from \$37.6 million in 2011 primarily due to increased editorial personnel expenses resulting from increased headcount and a full year of amortization of capitalized fees paid in 2012 for Baidu's Brand-Link products which were acquired in August 2011.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 34.5% to \$163.5 million in 2012 from \$121.6 million in 2011 primarily due to a 44.7% increase in marketing expenses to \$44.9 million in 2012 from \$31.0 million in 2011 primarily resulting from increased marketing expenses for events relating to the e-commerce business, which commenced operations in 2012; a 41.0% increase in salary expenses resulting from increased headcount; and a \$6.2 million increase in bad debt expenses.

Goodwill Impairment Charge. We did not record a goodwill impairment charge in 2012. In the third quarter of 2011, we concluded that the carrying amount of goodwill was higher than its fair value and consequently recorded a one-time goodwill impairment charge of \$417.8 million, primarily as a result of a slowdown in China's real estate market, which was believed likely to result in slower than previously expected growth in China Online Housing's business over the following several years. A substantial portion of the goodwill on our balance sheet relates to E-House's acquisition of SINA's equity interest in China Online Housing in 2009, pursuant to which China Online Housing became a consolidated subsidiary of E-House. China Online Housing became our wholly owned subsidiary as a result of a corporate reorganization by E-House in November 2013.

Other operating income. Other operating income increased to \$0.2 million in 2012 from \$13,937 in 2011 due to increased cash subsidies received from local governments.

Income (Loss) from operations As a result of the foregoing, our loss from operation was \$46.2 million in 2012 compared to loss from operation of \$439.9 million in 2011.

Interest income. Interest income decreased 61.9% to \$0.3 million in 2012 from \$0.7 million in 2011 due to reduced funds on deposit and reduced interest rates resulting from a decrease in the average amount of term deposits.

Other losses, net. Other losses, net, increased 93.0% to \$2.0 million in 2012 from \$1.0 million in 2011 primarily due to a 111.2% increase in amortization of discounts related to the liability for our exclusive rights with Baidu acquired in August 2011 to \$1.9 million in 2012 from \$0.9 million in 2011 resulting from a full period of amortization.

Income tax benefit. Income tax benefit increased 102.8% to \$4.1 million in 2012 from \$2.0 million in 2011 notwithstanding a 89.1% decrease in loss before taxes and equity in affiliates to \$47.9 million in 2011 from \$440.3 million in 2011, primarily because a large portion of our net loss in 2011 resulted from our one-time goodwill impairment charge which was not deductible for tax purposes.

Net Income (Loss). As a result of the foregoing, our net loss was \$43.8 million in 2012 compared to a net loss of \$438.3 million in 2011.

Our Selected Quarterly Results of Operations

The following table sets forth our unaudited condensed consolidated selected quarterly results of operations for each of the eight quarters in the period from January 1, 2012 to December 31, 2013. You should read the following table in conjunction with our audited consolidated financial statements

and related notes included elsewhere in this prospectus. We have prepared the unaudited consolidated quarterly financial information on the same basis as our audited consolidated financial statements. The unaudited consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the quarters presented.

	Three months ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(in thousands of \$, except share and per share data)							
Revenues:								
E-commerce	800	3,324	10,992	11,880	14,690	26,365	51,664	77,486
Online advertising	20,684	36,151	39,679	42,253	21,734	40,486	40,003	43,222
Listing	654	1,007	1,441	2,431	3,400	5,001	5,727	5,644
Total revenues	22,138	40,482	52,112	56,564	39,824	71,852	97,394	126,352
Cost of revenues	(11,948)	(13,054)	(14,073)	(15,043)	(15,344)	(18,398)	(16,147)	(14,102)
Selling, general and administrative expenses	(32,904)	(42,601)	(39,539)	(48,491)	(34,089)	(47,636)	(59,574)	(84,844)
Other operating income	—	103	(4)	54	—	141	273	186
Income (loss) from operations	(22,714)	(15,070)	(1,504)	(6,916)	(9,609)	5,959	21,946	27,592
Interest income	68	60	63	66	196	238	365	283
Other loss, net	(556)	(500)	(434)	(489)	(380)	(421)	(235)	(149)
Income (loss) before taxes and equity in affiliates	(23,202)	(15,510)	(1,875)	(7,339)	(9,793)	5,776	22,076	27,726
Income tax benefit (expense)	1,968	1,316	159	634	(13)	8	30	(3,091)
Income (loss) before equity in affiliates	(21,234)	(14,194)	(1,716)	(6,705)	(9,806)	5,784	22,106	24,635
Loss from equity in affiliates	—	—	—	(1)	—	—	(13)	(56)
Net income (loss)	(21,234)	(14,194)	(1,716)	(6,706)	(9,806)	5,784	22,093	24,579
Less: Net income attributable to non-controlling interest	(190)	615	1,059	(574)	7	89	173	(144)
Net income (loss) attributable to Leju shareholders	(21,044)	(14,809)	(2,775)	(6,132)	(9,813)	5,695	21,920	24,723
Earnings (loss) per share:								
Basic	(0.18)	(0.12)	(0.02)	(0.05)	(0.08)	0.05	0.18	0.21
Diluted	(0.18)	(0.12)	(0.02)	(0.05)	(0.08)	0.05	0.18	0.21
Weighted average numbers of shares used in computation:								
Basic	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Diluted	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000

Non-GAAP Financial Measures

The following table sets forth, for the periods specified, our adjusted income (loss) from operations, our adjusted net income (loss) and our adjusted net income (loss) attributable to Leju shareholders. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. These non-GAAP financial measures enable our management to assess our operating results without considering the impact of non-cash charges, including share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge. We also believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. These non-GAAP measures of our performance are not required by, or presented in accordance with, U.S. GAAP. Such measures are not a measurement of financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to income from operations, net income or any other performance measures derived in accordance with U.S. GAAP or an alternative to cash flows from operating activities as a measure of liquidity. Our presentation of such measures may not be comparable to similarly titled measures presented by other companies. You should not compare such measures as presented by us with the presentation of such measures by other companies because not all companies use the same definition.

We define adjusted income (loss) from operations as income (loss) from operations before share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment charge.

We define adjusted net income (loss) as net income (loss) before share-based compensation expense (net of tax), amortization of intangible assets resulting from business combinations (net of tax) and goodwill impairment charge (net of tax).

We define adjusted net income (loss) attributable to Leju shareholders as net income (loss) before share-based compensation expense (net of tax and non-controlling interests), amortization of intangible assets resulting from business combinations (net of tax and non-controlling interests) and goodwill impairment charge (net of tax and non-controlling interests).

The use of the above non-GAAP financial measures has material limitations as an analytical tool, as they do not include all items that impact our income (loss) from operations, net income (loss), and net income (loss) attributable to Leju shareholders for the period. We compensate for these limitations by providing the relevant disclosure of our share-based compensation expense, amortization of intangible assets results from business acquisitions, and goodwill impairment charge both in our reconciliations to the financial measures under U.S. GAAP, and in our consolidated financial statements, all of which should be considered when evaluating our performance.

The following table reconciles our adjusted income (loss) from operations, adjusted net income (loss) and adjusted net income (loss) attributable to Leju shareholders in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP:

	Three months ended							
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
	(in thousands of \$)							
Income (loss) from operations	(22,714)	(15,070)	(1,504)	(6,915)	(9,608)	5,959	21,945	27,592
Share-based compensation expense	3,986	4,603	3,827	2,718	1,459	1,751	2,027	1,074
Amortization of intangible assets resulting from business acquisitions	5,518	5,518	5,518	5,525	5,503	5,503	5,502	5,509
Adjusted income (loss) from operations	(13,210)	(4,949)	7,841	1,328	(2,646)	13,213	29,474	34,175
Net income (loss)	(21,233)	(14,195)	(1,716)	(6,705)	(9,806)	5,784	22,093	24,579
Share-based compensation expense (net of tax)	3,986	4,603	3,827	2,718	1,459	1,751	2,027	1,074
Amortization of intangible assets resulting from business acquisitions (net of tax)	4,769	4,770	4,769	4,774	4,127	4,127	4,127	2,101
Adjusted net income (loss)	(12,478)	(4,822)	6,880	787	(4,220)	11,662	28,247	27,754
Net income (loss) attributable to Leju shareholders	(21,043)	(14,810)	(2,775)	(6,131)	(9,813)	5,696	21,919	24,723
Share-based compensation expense (net of tax and non-controlling interests)	3,986	4,603	3,827	2,718	1,459	1,751	2,027	1,074
Amortization of intangible assets resulting from business acquisitions (net of tax and non-controlling interests)	4,679	4,680	4,678	4,682	4,056	4,056	4,056	2,029
Adjusted net income (loss) attributable to Leju shareholders	(12,378)	(5,527)	5,730	1,269	(4,298)	11,503	28,002	27,826

The increase in our revenues from quarter to quarter in 2013 was primarily attributable to the growth in our e-commerce business, which in turn was due to increased sales of discount coupons. See "Business—Our O2O Platform—E-Commerce—Discount Coupons."

The real estate sector in China is characterized by seasonal fluctuations, which may cause our revenues to fluctuate significantly from quarter to quarter. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced real estate transactions,

advertising and marketing activities of our customers in the PRC real estate industry during and around the Chinese Lunar New Year holiday, which generally occurs in January or February of each year and due to the cold winter weather in northern China. In contrast, the third and fourth quarters of each year generally contribute a larger portion of our annual revenues due to increased real estate transaction, advertising and marketing activity during the months of September and October. See "Risk Factors—Risks Related to Our Business—Our results of operations may fluctuate or otherwise be materially and adversely affected due to seasonal variations."

Our Liquidity and Capital Resources

Our principal sources of liquidity have been capital contributions from E-House and cash generated from operating activities. Our cash and cash equivalents consist of cash on hand and deposits placed with banks, which are unrestricted as to withdrawal or use and have original maturities of three months or less. We currently anticipate that we will be able to meet our needs to fund operations for at least the next twelve months with operating cash flow and existing cash balances.

The following table sets forth a summary of our cash flows for the periods indicated:

	Year Ended December 31,		
	2011	2012	2013
	(in thousands of \$)		
Net cash provided by operating activities	11,175	3,325	83,423
Net cash used in investing activities	(26,618)	(18,159)	(16,657)
Net cash provided by (used in) financing activities	26,809	21,504	(41,360)
Net increase in cash and cash equivalents	12,709	6,836	27,639
Cash and cash equivalents at the beginning of the year	51,545	64,254	71,090
Cash and cash equivalents at the end of the year	64,254	71,090	98,730

Operating Activities

Net cash provided by operating activities in 2013 was \$83.4 million, primarily comprising net income of \$42.7 million adjusted for non-cash transactions including depreciation and amortization of \$38.3 million, a \$28.4 million increase in income tax payable and other tax payable, and a \$10.4 million increase in accrued payroll and welfare expense, partially offset by a \$21.6 million decrease in amounts due to related parties and a \$18.3 million change in deferred tax.

Net cash provided by operating activities in 2012 was \$3.3 million, comprising our net loss of \$43.8 million adjusted for non-cash transactions including a depreciation and amortization of \$39.8 million, allowance for doubtful accounts of \$7.4 million, a \$21.7 million increase in amounts due to related parties (primarily resulting from corporate expenses allocated to us from E-House of \$21.6 million), a \$9.5 million increase in income tax payable and other tax payable, and partially offset by a \$32.4 million increase in accounts receivable resulting from increased sales.

Net cash provided by operating activities in 2011 was \$11.2 million, comprising our net loss of \$438.3 million adjusted for non-cash transactions including a goodwill impairment charge of \$417.8 million relating China Online Housing, depreciation and amortization of \$29.2 million, a \$17.4 million increase in amounts due to related parties (primarily resulting from corporate expenses allocated to us by E-House of \$20.2 million, partially offset by revenues collected by E-House on our behalf \$4.9 million), a \$8.6 million increase in income tax payable and other tax payable and a \$9.0 million increase in accrued payroll and welfare expenses primarily resulting from increased headcount, partially offset by a \$29.0 million increase in accounts receivable resulting from increased sales.

Investing Activities

Our investing activities primarily relate to our purchases and disposals of property and equipment and to our acquisition of subsidiaries.

Net cash used in investing activities in 2013 was \$16.7 million, primarily comprising \$17.0 million for deposit for and purchase of property and equipment and intangible assets including \$15.3 million for our exclusive rights with Baidu, partially offset by \$0.5 million of proceeds from disposal of property and equipment.

Net cash used in investing activities in 2012 was \$18.2 million, primarily comprising \$18.2 million for deposit for and purchase of property and equipment and intangible assets including \$14.2 million for our exclusive rights with Baidu.

Net cash used in investing activities in 2011 was \$26.6 million, primarily comprising \$14.1 million for deposit for and purchase of property and equipment and intangible assets including \$9.4 million for our exclusive rights with Baidu and \$12.6 million for purchase of subsidiaries, net of cash acquired, relating to our acquisition of Beijing Jiahua Xinlian Media Advertisement Co., Ltd. and Beijing Shangtuo Shunze Media Advertisement Co., Ltd.

Financing Activities

Our financing activities prior to this offering have primarily consisted of loan and capital contributions from E-House.

Net cash used in financing activities in 2013 was \$41.4 million, resulting from our repayment of loans from E-House.

Net cash provided by financing activities in 2012 was \$21.5 million primarily comprising loans from related parties of \$19.8 million from E-House, and cash contribution from E-House of \$1.5 million.

Net cash provided by financing activities in 2011 was \$26.8 million primarily comprising loans from related parties of \$16.2 million from E-House, and cash contribution from E-House of \$10.6 million.

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2013, which are limited to our operating lease obligations and primarily relate to lease agreements with lessors of our office properties in the PRC:

	Total	Payments Due by Period			More than 5 years
		Less than 1 year	1-3 years	3-5 years	
Operating Lease Obligations ⁽¹⁾	12,970	7,322	4,953	695	—
Liability for exclusive rights ⁽²⁾	9,021	9,021	—	—	—
Total	21,991	16,343	4,953	695	—

Notes:

- (1) Our operating lease obligations relate to our obligations under lease agreements with lessors of our corporate offices and business store fronts.
 (2) Our liability for exclusive rights relates to our contractual obligation to pay Baidu for the exclusive right to sell Baidu's real estate related Brand-Link product and to build and operate the Baidu real estate and home furnishing channels.

Off-Balance Sheet Commitments and Arrangements

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

Inflation

Inflation in China has not materially impacted our results of operations in recent years. According to the National Bureau of Statistics of China, China's consumer price index increased 3.3%, 5.4% and 2.6% in 2010, 2011 and 2012, respectively.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by bank deposits with original maturities of three months or less. We have not used any derivative financial instruments to manage our interest risk exposure. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates. However, our future interest income may be lower than expected due to changes in market interest rates.

Foreign Exchange Risk

Substantially all of our revenues and most of our expenses are denominated in Renminbi. Our exposure to foreign exchange risk primarily relates to the U.S. dollar proceeds of this offering, most or substantially all of which we expect to convert into Renminbi over time for the uses discussed elsewhere under "Use of Proceeds." We believe the impact of foreign currency risk is not material and we have not used any forward contracts, currency borrowings or derivative instruments to hedge our exposure to foreign currency exchange risk. Although in general our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the foreign exchange rate between U.S. dollars and Renminbi because substantially all of our revenues and expenses are denominated in Renminbi and the functional currency of our principal operating subsidiaries and consolidated VIEs is the Renminbi, while we use the U.S. dollar as our functional and reporting currency and the ADSs will be traded in U.S. dollars.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The PRC government allowed the Renminbi to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, acquisitions or other uses within the PRC, appreciation of the Renminbi against the

U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. To the extent that we seek to convert Renminbi into U.S. dollars, depreciation of the Renminbi against the U.S. dollar would have an adverse effect on the U.S. dollar amount we receive from the conversion. As of December 31, 2013, we had Renminbi-denominated cash balances of \$91.2 million and U.S. dollar-denominated cash balances of \$7.1 million. Assuming we had converted the Renminbi-denominated cash balance of RMB556.0 million into U.S. dollars at the exchange rate of \$1.00 for RMB6.0969 as of December 31, 2013, this cash balance would have been \$91.2 million. Assuming a 1.0% depreciation of the Renminbi against the U.S. dollar, this cash balance would have decreased to \$90.3 million as of December 31, 2013.

Seasonality

The real estate sector in China is characterized by seasonal fluctuations, which may cause our revenues to fluctuate significantly from quarter to quarter. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced real estate transactions, advertising and marketing activities of our customers in the PRC real estate industry during and around the Chinese Lunar New Year holiday, which generally occurs in January or February of each year and due to the cold winter weather in northern China. In contrast, the third and fourth quarters of each year generally contribute a larger portion of our annual revenues due to increased real estate transaction, advertising and marketing activity during the months of September and October. See "Risk Factors—Risks Related to Our Business—Our results of operations may fluctuate or otherwise be materially and adversely affected due to seasonal variations."

Recent Accounting Pronouncements

In March 2013, the FASB issued ASU 2013-05 related to parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. When a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity, the parent is required to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. This ASU is effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. It should be applied prospectively to derecognition events occurring after the effective date. Prior periods should not be adjusted. Early adoption is permitted. If an entity elects to early adopt the amendments, it should apply them as of the beginning of the entity's fiscal year of adoption. The adoption of the amendments will not have a material impact on our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11 which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The ASU requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This ASU applies to all entities that have unrecognized tax benefits when a net operating loss carryforward, a

similar tax loss, or a tax credit carryforward exists at the reporting date. The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The adoption of the amendments will not have a material impact on our consolidated financial statements.

INDUSTRY

The PRC economy

Over the last decade, China has experienced significant economic growth. China's accession to the World Trade Organization, or the WTO, in 2001 has further accelerated the reform of the PRC economy. Increased consumer spending as well as increased government spending on infrastructure and private sector investments in land developments are important drivers for China's continuous economic growth. Real estate investment increased from RMB3.1 trillion in 2008 to RMB7.2 trillion in 2012, representing a CAGR, of approximately 18.4%. China has one of the fastest growing economies in the world, with CAGR of nominal gross domestic product, or GDP of 13.4% from 2008 to 2012, reaching approximately RMB51.9 trillion for 2012.

	Year ended December 31,					CAGR 2008-2012
	2008	2009	2010	2011	2012	
China GDP (in billions of RMB)	31,405	34,090	40,151	47,310	51,894	13.4%
China GDP per capita (RMB)	23,708	25,608	30,015	35,198	38,420	12.8%

Source: National Bureau of Statistics of China.

Rapid urbanization and increasing urban household income

Over the past decade, China's population has been undergoing large scale urbanization, which has resulted in robust demand for new residential properties and is a key driver for the growth of the overall real estate industry. According to the National Bureau of Statistics of China, China's total urban population increased from 542.8 million in 2004 to 711.8 million in 2012, and China's urban population as a percentage of the total population increased from 41.8% in 2004 to 52.6% in 2012. Together with the effect of rapid economic development in China, the average purchasing power of urban households has been increasing. Per capita annual disposable income of urban households in China increased from RMB9,422 in 2004 to RMB24,565 in 2012, representing a CAGR of 12.7%. The following table sets forth the urban population, total population, urbanization rate and per capita disposable income of urban households in China for the periods indicated:

	Year ended December 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Urban population (in millions)	542.8	562.1	582.9	606.3	624.0	645.1	669.8	690.8	711.8
Total population (in millions)	1,299.9	1,307.6	1,314.5	1,321.3	1,328.0	1,334.5	1,340.9	1,347.4	1,354.0
Urbanization rate (%)	41.8	43.0	44.3	45.9	47.0	48.3	50.0	51.3	52.6
Per capita disposable income of urban households (RMB)	9,422	10,493	11,760	13,786	15,781	17,175	19,109	21,810	24,565

Source: National Bureau of Statistics of China.

Real estate industry in China

Primary real estate industry in China

The primary real estate industry in China has experienced rapid growth in recent years. According to the National Bureau of Statistics of China, the total gross floor area, or GFA, of residential properties sold in China grew from 593 million sq.m. in 2008 to 985 million sq.m. in 2012, representing a CAGR of 13.5%. The PRC government launched a RMB4 trillion economic stimulus plan in late 2008 in view of the negative impact of the global economic crisis on the PRC economy. China's primary real estate industry rebounded in early 2009. However prices and volumes of the primary real estate market have experienced volatility and slow growth since then, largely due to the implementation of the

government's restrictive policies. The following table sets forth the total GFA of all properties and residential properties sold, number of primary residential units sold and the average selling price of residential properties sold in China for the periods indicated:

	Year ended December 31,					CAGR 2008-2012
	2008	2009	2010	2011	2012	
Total GFA of all properties sold (million sq.m.)	660	948	1,048	1,094	1,113	14.0%
Total GFA of residential properties sold (million sq.m.)	593	862	934	965	985	13.5%
Number of primary residential units sold (in thousands)	5,566	8,040	8,818	9,140	9,446	14.1%
Average price of residential properties (RMB/sq.m.)	3,576	4,459	4,725	4,993	5,430	11.0%

Source: National Bureau of Statistics of China.

Home furnishing and improvement market in China

Newly completed housing properties in China are typically empty shells that are not completed with interior decoration and fittings. As such, there is large demand for home furnishing and improvement products and services.

According to the China Statistical Yearbook, urban households in China spent on average RMB692 per annum in 2008 and RMB1,116 per annum in 2012 on household facilities and services, representing a CAGR of 12.7%. According to Euromonitor International, total market revenues from the home improvement industry in China grew from RMB189.9 billion in 2008 to RMB310.6 billion in 2012, representing a CAGR of 13.1%.

Key real estate policies in China

For details of key regulatory developments related to the real estate sector in China, please refer to the section "Risk Factors—Risks Related to Our Business—Our business is susceptible to fluctuations in China's real estate market, which may materially and adversely affect our results of operations" and "Risk Factors—Risks Related to Our Business—Our business may be materially and adversely affected by government measures aimed at China's real estate industry."

Internet industry in China

Internet users and internet penetration in China

The number of internet users in China has grown rapidly in recent years as the internet becomes a more commonly used medium for information, communication and commerce in China. According to Euromonitor International, the number of internet users in China grew from approximately 299 million in 2008 to approximately 570 million in 2012, representing a CAGR of 17.4%, and the internet penetration rate increased from 22.6% in 2008 to 42.3% in 2012. Although China has the largest number of internet users in the world, China's internet penetration is still relatively low compared to developed countries such as the United States and Japan, which had penetration rates of 81.0% and 79.1%, respectively, in 2012. The continuing development of internet services and mobile devices, reduction in internet access costs and lower computer prices are expected to further drive the increase

in the number of internet users in China. The following table sets forth the number of internet users in China and internet penetration rates in China, the United States and Japan for the periods indicated:

	Year ended December 31,				
	2008	2009	2010	2011	2012
Number of Internet users in China (in millions)	299	384	458	514	570
Internet penetration rates in China (% of population)	22.6	28.9	34.3	38.3	42.3
Internet penetration rates in the United States (% of population)	74.0	71.0	74.0	77.9	81.0
Internet penetration rates in Japan (% of population)	75.4	78.0	78.2	79.1	79.1

Source: Euromonitor International

Online advertising in China

Online advertising can offer viewers greater and quicker access to information as compared with offline advertising. As such, advertisers in China increasingly rely on online advertising to gain exposure to consumers. According to iResearch, China's online advertising market increased from RMB17 billion in 2008 to RMB75 billion in 2012, representing a CAGR of 45.1%. Methods of online advertising may include website graphic advertisements such as banners, online marketplace listings and searched based advertising.

The following table sets forth the industry growth rate of online advertising revenues in China from 2008 to 2012 for the period indicated:

	Year ended December 31,					CAGR 2008-2012
	2008	2009	2010	2011	2012	
Online advertising revenues in China (in billions of RMB)	17.0	21.1	32.6	51.3	75.3	45.1%

Source: iResearch Inc.

Online real estate advertising in China

Historically, there were limited sources of comprehensive information on China's real estate market conveniently accessible to buyers, developers or other principal industry participants; real estate advertising in China was done through offline media such as television, newspapers and magazines. Also, consumers in China have historically lacked access to comprehensive information essential to making housing decisions, relying instead on disparate sources of information such as real estate brokers, local newspapers, and word of mouth.

However, technology is changing the way that consumers search for homes and the way in which real estate developers market their new projects. Real estate information websites attract developers and sellers to list their properties online to gain maximum exposure to buyers, while buyers and agents are attracted to search for properties on these websites due to the vast amounts of information and services available, complemented by the ability to tailor search preferences.

According to iResearch, online advertising spending in China related to the real estate industry grew from approximately RMB0.8 billion in 2009 to RMB3.0 billion in 2012, representing a CAGR of

53.6%. The following table sets forth the online real estate advertising spending in China for the periods indicated:

	Year ended December 31,				CAGR
	2009	2010	2011	2012	2009-2012
Real estate online advertising spending in China (in billions of RMB)	0.8	1.8	2.8	3.0	53.6%

Source: iResearch Inc.

According to iResearch, approximately 86.3% of total online real estate advertising spending in China in 2012 was attributable to real estate websites, 10.6% was attributable to portal advertising and 3.1% was attributable to other forms of online advertising.

E-commerce market in China

As internet access and functionality improve, more and more consumers in China are purchasing products and services online. According to iResearch, online retail gross merchandise value, or GMV, reached RMB1.3 trillion in 2012 having grown from RMB0.5 trillion in 2010, representing a CAGR of 68.2%. The growing population of paying users and greater spending per paying user in China is expected to drive growth in the e-commerce sector in China from RMB1.9 trillion in 2013 to RMB3.6 trillion in 2016, representing a projected CAGR of 24.8%, according to iResearch. The following table summarizes the total online retail GMV in China between 2008 to 2016E:

	Year ended December 31,						
	2010	2011	2012	2013E	2014E	2015E	2016E
Total online retail GMV in China (in billions of RMB)	461	785	1,303	1,850	2,450	3,020	3,600
Total online retail GMV in China as percentage of total consumer spending in China (%)	2.9	4.3	6.2	7.7	9.0	10.0	10.8

Source: iResearch Inc.

In today's market, an effective combination of online information and marketing with strong offline services and transaction support is crucial to a successful e-commerce platform. Offline services and transaction support, including services such as logistics, are critical components of the e-commerce value chain, crucial in enabling transaction completion as well as enhancing consumers' purchasing experience.

Real estate O2O products and services in China

O2O real estate services integrate online information and promotion with offline promotion and transaction services, which is attractive to both prospective buyers and real estate industry players. On the online side, O2O real estate services offers a vast amount of internet user information and marketing tools to real estate industry players while potential buyers are provided accurate property purchasing information and services, benefits such as discounts and a reliable transaction platform. On the offline side, O2O real estate services include, but are not limited to, issuances of discount coupons, co-ordination of property visits (or showrooms), property inspections and ratings issued by reliable third parties and on-site transaction support. Some offline services such as signing contracts, payment, loan arrangement and property transfers, among others, are still largely provided by developers, agents and other intermediaries.

According to iResearch, O2O e-commerce real estate business models present in China today mainly include real estate information, advertising, brokerage and agency services providers such as Leju, SouFun, SOHU Focus and marketplace platforms such as Taobao marketplace.

At present, the principal method of generating revenues from O2O real estate services in China is the sales of discount coupons to potential property buyers. A discount coupon entitles a purchaser to purchase a property from the property developer at a particular development at a discount from the advertised price. Discount coupons can help developers gain exposure to home buyers and accurately measure the marginal improvement in the sales of development properties based on the number of coupons redeemed for each development project. The key industry players in China that issue such discount coupons are Leju and SouFun.

Mobile usage and mobile e-commerce in China

As smartphones and mobile devices become more affordable and technologically more advanced, coupled with greater internet access from upgrades in network connection services, the number of mobile internet users in China has been constantly increasing in recent years. According to iResearch, the number of mobile internet users in China is expected to grow to 722.8 million as of December 31, 2016 from 500.1 million as of December 31, 2013, representing a CAGR of 13.1%. According to eMarketer, as of December 31, 2013, China had approximately 446.8 million smartphone users, representing 43.0% of total mobile phone users globally. It is estimated that the smartphone penetration rate will increase to 50.0% in 2017, according to eMarketer.

	As of December 31,						
	2010	2011	2012	2013	2014E	2015E	2016E
Mobile Internet population in China (million)	302.7	355.6	420.0	500.1	567.9	654.2	722.8
Mobile Internet penetration in China (as % of total Internet users)	66.2	69.3	74.5	81.0	84.4	89.6	92.0

Source: iResearch Inc.

	As of December 31,							
	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Smartphone population in China (million)	87.2	208.5	392.2	446.8	488.0	531.1	572.7	603.7
Smartphone penetration in China (as % of total mobile phone users)	13.0	24.0	40.0	43.0	45.0	47.0	49.0	50.0

Source: eMarketer.

China's recent growth in mobile e-commerce is largely due to the increase in mobile users. According to iResearch, mobile e-commerce gross merchandise value, or GMV, in China grew to \$10.2 billion in 2012, and is expected to reach \$115.2 billion in 2016, representing a CAGR of 83.3% from 2012. While, according to IDC, mobile app and software download revenues in China has reached \$615.0 million in 2012 from \$94.0 million in 2010, and is expected to grow to approximately \$4.7 billion in 2017. Such increasing engagement of mobile internet users in China could potentially lead to further mobile e-commerce opportunities and also create further channels for merchants to reach end customers.

	Year ended December 31,						
	2010	2011	2012	2013E	2014E	2015E	2016E
Mobile e-commerce GMV in China (in billions of \$)	0.3	1.9	10.2	27.0	51.5	79.7	115.2

Source: iResearch Inc.

	Year ended December 31,							
	2010	2011	2012	2013E	2014E	2015E	2016E	2017E
Spending on mobile app and software download in China (in millions of \$)	94.0	265.3	615.0	1,115.3	1,613.7	2,205.3	3,224.6	4,715.1

Source: IDC.

BUSINESS

Overview

We are a leading O2O, real estate services provider in China. We offer real estate e-commerce, online advertising and online listing services through our online platform, which comprises local websites covering over 250 cities and various mobile applications. We integrate our online platform with complementary offline services to facilitate residential property transactions. In addition to our own websites, we also operate various real estate and home furnishing websites of SINA and Baidu.

E-Commerce. We offer e-commerce services primarily in connection with new residential property sales. Our O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits and pre-sale customer support. We earn revenue primarily from the sale of discount coupons used for property purchases.

Online Advertising. We sell advertising primarily on the SINA and Baidu new residential properties and home furnishing websites, each of which is operated by us. In addition, we are the exclusive advertising agent for the SINA home page and non-real estate websites with respect to advertising sold to real estate and home furnishing advertisers. We also have the exclusive right to sell Baidu's Brand-Link product for real estate related advertising.

Listing. We offer fee-based online property listing services to real estate agents and free services to individual property sellers. We operate the SINA and Baidu real estate websites for listings of existing residential properties for sale or lease.

We have experienced substantial growth in recent years. Our total revenues have increased from \$137.1 million in 2011 to \$171.3 million in 2012 and to \$335.4 million in 2013. We incurred net losses of \$438.3 million in 2011 and \$43.8 million in 2012 and generated net income of \$42.7 million in 2013. We had adjusted net income of \$11.6 million in 2011, adjusted net loss of \$9.6 million in 2012 and adjusted net income of \$63.4 million in 2013. Substantially all of our operations are in China. For information regarding adjusted net income (loss), see "Summary Consolidated Financial Data—Non-GAAP Financial Measures."

Our Strengths

We believe the following competitive strengths have contributed to our growth:

Pioneer in China's O2O real estate services industry

We believe we are a pioneer in the O2O real estate services industry in China. In April 2011, we introduced the concept of e-commerce and O2O services to the PRC real estate industry by conducting online auctions as a promotional tool for property developers. In June 2013, we opened our e-commerce platform to all developer partners, including those who did not have an exclusive marketing arrangement with us, thereby widening our reach among real estate developers. In November 2013, we and CITIC introduced Leju Loan, an innovative product that integrates real estate e-commerce with financial services. In March 2014, we launched our mobile e-commerce platform. The fact that we have successfully established a profitable O2O service platform that combines offline transaction services with online information and marketing services in China's real estate sector makes us, we believe, a leading innovator in China's e-commerce industry. We believe that our deep experience and insights in both China's online and offline real estate services industry and the entrepreneurial culture of our management team are the key to our continuous innovation, which will help us solidify our established position.

Comprehensive online real estate platform attracting customers from major internet entry points in China

Our online real estate platform contains comprehensive and detailed real estate related data and information and effectively attracts and connects customers from China's leading internet media, search engine and other online and mobile communities. In addition to our own websites and mobile applications, we operate the real estate and home furnishing websites of SINA, China's leading internet media company, and Baidu, the leading Chinese language search engine. In addition, we are keen to adapt to changing technology trends, such as the rising popularity of online social media platforms and mobile applications. We have established strategic cooperation relationships with SINA's Weibo and Tencent's Weixin, two of China's leading social media platforms, and through our proprietary mobile apps for both AppStore and Android operating systems. We believe that our ability to connect our platform with major internet entry points in China distinguishes us from our competitors and helps us enhance our brand and widen our customer base.

Scalable business model with high operating efficiency

We benefit from an attractive business model with high scalability and high operating efficiency. We have established our platform over the past five years through investments in technology, product, content, infrastructure, as well as recruitment of our core team. The existing capacity and functionality of our platform enables us to achieve attractive economies of scale as we grow our user base and continue new product and service development at relatively low incremental costs.

Nationwide geographic coverage with strong local presence, coupled with our extensive membership base

We have established nationwide geographic coverage with strong local internet presence in over 250 cities in China. We believe that our in-depth understanding of local markets allows us to accurately predict market trends and levels of demand in these markets and helps us better plan and design our service offerings. Over the years, we have accumulated extensive and valuable knowledge of China's real estate market in general and the regional markets where we have direct operations. To leverage the scalability of our O2O real estate service platform, we also rely on outsourcing to local partners to cover regional markets where we have not established direct operations. In addition, our Leju Membership Club, with a broad membership base of over 60 million members located in over 250 cities as of December 31, 2013, further enhances our reach to prospective property purchasers in different markets across China.

Experienced and motivated management team

We believe that our successful track record is attributable to our strong management team with deep industry expertise, proven execution capabilities and strong motivation and incentives. Our Chairman, Mr. Xin Zhou, is a well-recognized industry participant in the sector with over 20 years of experience in the real estate services industry. He received numerous awards in recognition of his achievements in the real estate services industry in China. Our chief executive officer, Mr. Yinyu He, has over 15 years of experience in the media and internet industries and has been in charge of our growth and strategic planning since he joined us in 2008. Members of our core team have joined us in the past five years from a variety of backgrounds and, we believe, are attracted by our innovative platform and motivated by our incentive scheme, which ties our key employees' compensation directly with the financial performance they achieve and shares with them the fruit of their efforts. We believe that our management team's collective experience and strong execution capabilities are critical to our innovation capabilities and will enable us to capture and realize significant growth opportunities in the future.

Our Strategies

We seek to maintain and strengthen our position as a leading O2O real estate services provider in China by pursuing the following strategies:

Continue to innovate through new service offerings

We are committed to continuous innovation, aiming to provide comprehensive services to and achieve the best experience for our users. With real estate industry participants' increasing acceptance of O2O services, we intend to identify and take advantage of new opportunities to create and develop innovative service offerings for participants in China's real estate industry.

Expand strategic partnerships with leading internet companies

We plan to strengthen our existing strategic partnerships with leading internet companies, such as SINA and Baidu, by refining and expanding our O2O services and creating new website channels of online real estate services. Using this model, we also aim to collaborate with additional strategic partners to further attract real estate related online traffic.

Further enhance our mobile applications

Following the launch of our mobile e-commerce platform in March 2014, we plan to further develop new, proprietary mobile applications tailored to the needs of home purchasers, developer partners and real estate agents. We will develop our mobile applications with a focus on enhancing mobile user experience and engagement and to achieve seamless integration with the websites we operate.

Strategically strengthen our geographic coverage

We plan to leverage the scalability of our online business model to add service offerings in selected markets and further enhance our presence in cities covered by our direct operations, especially China's provincial capitals and other strategically important urban areas, to capture real estate service demand in such markets. In addition, we intend to expand our business to operate directly in selected cities where we currently outsource operations to local outsourcing partners. We believe that we can better capture market growth opportunities through direct operations.

Continue to attract and retain talent

The ability to attract, train and retain talented employees is important to our growth strategy. We plan to continue to actively recruit qualified personnel as we continue to expand our operations. In addition, we will continue to refine our performance evaluation system, compensation schemes and career development initiatives for our employees. By assessing employee performance and aligning their interests with those of management and our shareholders, we believe that we can continue to attract, train and retain talented employees able to innovate and deliver high-quality services.

Our O2O Platform

We offer multiple online and offline access points for consumers. We reach consumers through our own websites; various websites on *sina.com* and *baidu.com* which are operated by us; the microblog, SinaWEIBO; and various mobile applications. These websites and mobile applications enable us to better reach potential purchasers for whom we are then able to provide our offline services. We also provide complementary offline services to cultivate customer loyalty and ensure superior customer experience.

Websites

Our internet presence includes local real estate websites across China that we either operate directly or outsource to local outsourcing partners. These local websites provide region-specific real estate news, information, property data and access to online communities to real estate consumers and participants. We believe our local presence in each of these cities enables us to provide services that are tailored to local conditions, enhancing the attractiveness of our websites to consumer and to advertisers who seek targeted advertising opportunities.

Through our direct operations and outsourcing to local partners we operate websites in every province of China, except Tibet.

New residential property websites that we operate include *house.sina.com.cn*, *house.baidu.com* and *leju.com*. Viewers are automatically directed to a local website with localized real estate information and services, covering over 250 cities. On *house.sina.com.cn* and our website, *leju.com*, we offer customers the ability to purchase discount coupons for property purchases. Existing residential property websites that we operate include *esf.sina.com.cn* and *esf.baidu.com*. Viewers are automatically directed to a local website with localized real estate information and services, covering 54 cities. Home furnishings websites that we operate include *jiaju.com*, which is a platform for distributors to offer home furnishings to consumers, and *jiaju.sina.com.cn* and *jiaju.baidu.com*, each of which offers information with respect to home furnishing. Viewers have access to localized information on home furnishing for 51 cities through our home furnishing websites.

We sell online advertising on each of our self-operated local websites covering 77 cities. We also outsource more than 170 local websites to third parties that pay us fixed fees for the right to operate the websites. The amount of user traffic on the websites that we own or operate, our ability to achieve user demographic characteristics that are attractive to advertisers, and our ability to demonstrate such user traffic and demographic characteristics through website traffic tracking tools and reporting systems are important factors in maintaining our advertising revenue from websites that we operate directly and fixed fees from websites that we outsource to third parties. We track such data internally and through third party tracking tools. We identify cities to convert to direct operations on an ongoing basis. In the foreseeable future, our priority is to convert approximately 30 outsourced local websites, primarily in smaller cities in various provinces in China, to self-operated websites.

Mobile Applications

Our mobile applications include "Pocket Leju," "Pocket Agent," "Fang Niu Jia" and "Pocket Renovation," each of which has version for the iOS and Android operating systems.

- *Pocket Leju* is China's first mobile real estate e-commerce platform. Pocket Leju provides personalized services to potential buyers of new and existing homes, and potential residential renters, in 191 large and medium cities in China. These services include home visits, selection, access to purchase discounts, special offer recommendations, local housing price interpretations, purchase guides, property assessment, tax calculation, housing loan calculation and others. Pocket Leju also assists buyers with home purchasing procedures.
- *Pocket Agent* is designed to serve as a mobile assistant to brokers. Pocket Agent provides services to brokers, such as visits to residential blocks, visits to homes, residential block and housing price interpretation, housing loan calculation, tax calculation, house listing, house management and client management.
- *Fang Niu Jia* provides services to brokers, including free calls to targeted clients, promotion of brokers with "gold" status, clients' mortgage loan services, group chat and purchasing tools.

- *Pocket Renovation* provides a variety of styles for high-quality home decoration to users. Users of *Pocket Renovation* can directly contact designers and contractors via telephone and other modes for renovation consultations. *Pocket Renovation* also provides favorable promotions, discounts on home decoration goods, knowledge for various stages of renovations, decoration diaries posted by users and other services to users and provides a renovation budget analysis system and billing management system to help the users manage the financial aspects of the renovation.

In March 2014, one of our PRC subsidiaries entered into a strategic cooperation agreement with a PRC affiliate of Tencent Holdings Limited, or Tencent, a provider of comprehensive internet services serving the largest online community in China. Pursuant to the strategic cooperation agreement, we and Tencent have agreed to jointly develop software and tools for use on Tencent's social communication platform, including Weixin, to facilitate our opening batches of Weixin public accounts associated with real estate projects. We have agreed to adopt Weixin payment solutions as the default payment method for real estate O2O e-commerce transactions conducted by our users on Weixin. We and Tencent have also agreed to explore and pursue additional opportunities for potential cooperation, including but not limited to cooperation involving Tencent's social communications platform, including Weixin, "QQ" and "mobile QQ"; the social media service, "Tencent Microblog;" the social networking service, "Qzone;" and/or other Tencent internet properties.

Complementary Offline Services

Our offline services include physical property visits and a call center, which enables our website viewers to contact us or representatives of property developers for information on new residential properties. Our services are also available at developers' show rooms and through real estate brokers.

Our Services

We offer e-commerce services in connection with new residential property sales and home furnishing; online advertising services in connection with new residential property sales and home furnishing; and online listing services for existing residential properties.

E-Commerce

The majority of our e-commerce revenue is derived from the sale of discount coupons for new residential properties that are promoted by developers. We commenced the sale of discount coupons from the first quarter of 2012. In addition, since the third quarter of 2012, we have provided third-party merchants of home furnishing and improvement products and services with the ability to reach consumers through our home furnishing platform, *jiaju.com*. Our revenues generated from e-commerce services in 2012 and 2013 were \$27.0 million and \$170.2 million, respectively, representing 15.8% and 50.7%, respectively, of our total revenues for those periods.

O2O Services for New Residential Properties

Our O2O offering includes selling discount coupons for new residential properties, facilitating online property viewing and physical property visits, setting up telephone calls between prospective purchasers and representatives of developers, organizing real property exhibitions and facilitating pre-sales customer support provided by developers. Our O2O services can be accessed by prospective purchasers through the real estate website of SINA which we operate, and our website, *leju.com*. Prospective purchasers can also access our services at show houses for new residential properties and through real estate developers.

Discount Coupons. A discount coupon entitles a purchaser to purchase a property from the property developer at a particular development at a discount from the advertised price. Discount coupons can be purchased by prospective property purchasers online at *leju.com* and *house.sina.com.cn*,

and their respective local websites as well as offline in showrooms for new property developments. We enter into arrangements with developers whereby we offer O2O services, including the sale of discount coupons, to facilitate property sales. Each such arrangement is specific to a particular development. The arrangement may terminate at a pre-agreed date or continue until all properties at the development have been sold, as agreed in advance by the developer and us. Coupons may expire on a stated expiry date, typically at the end of a promotional period, or when all properties at the development to which the coupon relates have been sold. A substantial majority of the discount coupons currently outstanding will expire within 90 days of this prospectus. When a prospective property purchaser purchases a discount coupon as part of our O2O services, the purchaser remits the payment for the coupon to an account maintained by the purchaser with an independent payment platform provider. Upon confirmation from a purchaser or developer that a discount coupon is redeemed to purchase property, the payment for the discount coupon is transferred to us. However, if for any reason the coupon is not redeemed, the payment is refunded to the purchaser and we do not earn revenue from the transaction.

The following table sets forth certain operating metrics with respect to our sales of discount coupons for the periods specified.

	Three months ended March 31, 2013	Three months ended June 30, 2013	Three months ended September 30, 2013	Three months ended December 31, 2013
Number of discount coupons issued to prospective purchasers (number of transactions)	23,125	40,274	75,082	92,527
Number of discount coupons redeemed (number of transactions) ⁽¹⁾	12,696	24,072	39,654	59,684

Notes:

- (1) The number of discount coupons issued to prospective purchasers that were used by the purchaser to obtain a discount in connection with a property purchase during the period. We recognize revenue from the sale of discount coupons that are redeemed. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Selected Statement of Operations Items" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies."

We have entered into arrangements with China Unionpay, or Unionpay, to use its payment platform to collect payments for discount coupons. Under our agreement with Unionpay, we are Unionpay's exclusive partner for real estate e-commerce services during the term of our contract and Unionpay has agreed not to provide e-payment services to other real estate internet enterprises. The term of the agreement is for two years through 2015 and will be automatically renewed for another two years unless either party provides written notice of cancellation. Either party may terminate the agreement upon 30 days written notice to the other party. Under the agreement, Unionpay provides customers with the ability to make online or on-site payments.

Leju Loan. In November 2013, we formed a strategic partnership with CITIC, pursuant to which CITIC introduced Leju Loan through our online platform, with a view to facilitating the integration of real estate e-commerce with financial services, increasing liquidity and improving the overall purchasing power of home purchasers in China. Through Leju Loan, qualified home purchasers who purchase real estate through our real estate e-commerce platform at *leju.com* can obtain a line of credit from CITIC by pledging their existing properties as collateral. Although the Leju Loan product was introduced through our online platform to facilitate the loan application process, the loans for this product are funded and provided by CITIC. The line of credit can be used to satisfy a variety of consumption needs such as home improvement, vehicle purchases and vacations. Our agreement with CITIC is for a term of three years through October 30, 2016. It further provides that our subsidiaries and regional CITIC

branches may enter into regional cooperation agreements. We currently do not have revenue from the Leju Loan product. However, we believe that by offering the Leju Loan product, our online platform becomes more attractive to both developers and home purchasers.

Home Furnishing

Our website, *jiaju.com*, is a business-to-consumer platform that we launched in the third quarter of 2012, through which home furnishing suppliers may offer their products to consumers. We charge distributors a technical services fee in connection for setting up the service and a commission based on the value of products and services sold through our platform. Payments for purchases made on *jiaju.com* are processed by our third-party partner which allocates such payments to home furnishing suppliers and us in accordance with our pre-agreed arrangements with home furnishing suppliers.

In March 2013 we entered into an agreement with Beijing Jing Dong Century Trading Co., Ltd., or Jing Dong, pursuant to which we launched The Jing Dong Jiajujiu Building Materials and Furnishings Flagship Store, or the JD Jiajujiu Store, on Jing Dong's website in October 2013. The JD Jiajujiu Store promotes home furnishing and home improvement products and services that are also promoted on *jiaju.com*. We charge home furnishing suppliers a commission, and we are required to pay Jing Dong a commission, in each case based on the value of products and services sold by the JD Jiajujiu Store.

Online Advertising

We operate the SINA and Baidu real estate and home furnishing websites. In addition, we are the exclusive advertising agent for SINA's home page and non-real estate websites with respect to advertising sold to real estate and home furnishing advertisers. We also have the exclusive right to sell Baidu's Brand-Link product for real estate related advertising. We earn revenue from the sale of online advertising on each of these websites. Revenues for online advertising are typically based on a fixed fee for the period of the advertising and are recognized ratably. We enter into both short term and long term online advertising contracts with advertisers and we are entitled to prepayment from certain customers while others pay us only after the advertisement has been posted.

Our revenues generated from advertising services in 2011, 2012 and 2013 were \$132.1 million, \$138.8 million and \$145.4 million, respectively, representing 96.3%, 81.0% and 43.4%, respectively, of our total revenues for those periods.

Advertising on SINA Websites

We operate the SINA real estate website, *house.sina.com.cn*, and the SINA home furnishings website, *jiaju.sina.com.cn*, and we are entitled to all advertising revenues from these websites. In addition, pursuant to an agency agreement with SINA, we are the exclusive advertising agent of the SINA homepage and non-real estate websites, for advertising sold to real estate and home furnishing advertisers. We are entitled to 85% of the revenue derived from advertising on these other websites. Aided by SINA's strong brand recognition, market influence in China's online space and its large user base, we help real estate advertisers reach their target audiences in many of China's major cities. Real estate advertisers primarily include real estate developers, agents and brokers as well as suppliers and providers of home furnishing and improvement products and services.

Furthermore, as the exclusive real estate advertising agency for SINA non-real estate websites, we facilitate advertising by our real estate advertising clients on the SINA real estate websites as well as non-real estate websites. Real estate advertising offerings on SINA websites include online advertising and sponsorship arrangements. Online advertising arrangements allow advertisers to place advertisements on particular areas of SINA websites, in particular formats, such as banners and text links, and over particular periods of time. Sponsorship arrangements allow advertisers to sponsor a particular area on SINA websites in exchange for a fixed payment over the contract period. Real estate

advertising on SINA websites also includes revenue from outsourcing arrangements with local business partners. Revenues from outsourcing arrangements are on a fixed fee and recognized ratably over the term of the contract. Our revenues generated from advertising on SINA websites represented 96.1%, 93.0% and 90.5%, respectively, of our total revenues from online advertising in 2011, 2012 and 2013.

We and SINA have entered into a number of agreements governing our relationship with SINA, including an advertising inventory agency agreement, an amended and restated domain name and content license agreement, an amended and restated trademark license agreement and an amended and restated software license and support services agreement. For descriptions of these agreements, see "Related Party Transactions—Transactions and Agreements with SINA."

Advertising on Baidu Websites

We are the exclusive real property advertising partner of Baidu, China's leading search engine platform. In August 2010, we launched the Baidu real estate website, *house.baidu.com*, and home furnishing website, *jiaju.baidu.com*. We earn revenue from the sale of search-based advertising on these websites. Pursuant to our strategic cooperation agreement with Baidu, we have the exclusive right, through March 31, 2015, to build and operate all Baidu websites related to real estate and home furnishing, and to retain all advertising revenues generated from these websites in exchange for a fixed fee that we pay to Baidu in two installments per year. In August 2011, we expanded our strategic partnership with Baidu, pursuant to which we are now Baidu's premier strategic online real estate partner and we obtained the exclusive right, through March 2015, to sell Baidu's real estate Brand-Link product to advertisers. When an internet user conducts a keyword search of a brand that is subscribed to the Brand-Link product, the search generates a wide range of brand-specific content, including news reports, promotional announcements, product information and marketing campaigns. Most of our revenues generated by our arrangements with Baidu are derived from sales of the Brand-Link product. In addition, we and Baidu have also continued our cooperation in several other Baidu products to further expand the online search-based advertising market for the real estate industry. Our revenues generated from advertising on Baidu websites represented 3.9%, 7.0% and 9.5%, respectively, of our total revenues from online advertising in 2011, 2012 and 2013.

Listing

We offer online residential listing services for sales and leases of existing residential properties. Our listing services are currently offered in 22 cities where we maintain a local sales force. Our revenues generated from online listing services in 2011, 2012 and 2013 were \$5.0 million, \$5.5 million and \$19.8 million, respectively, representing 3.7%, 3.2% and 5.9%, respectively, of our total revenues for those periods. Real estate agents and property owners use our listing services. Payment of the listing fees entitle them to post multiple listings for properties over the subscription period. Our listing subscription contracts are typically for a term of up to one year with fixed fees payable on a monthly basis for a fixed number of listings. The subscription fees are generally fixed and vary from city to city. We also provide free listing services to individual property sellers selling existing residential properties. Our listing customers submit property listings by logging on to our platform directly. Once a listing has been uploaded to our website, it can be viewed for free by visitors to our website. All visitors to our website have access to listing information free of charge, 24-hours a day. With respect to listings submitted by agents or brokers, the name of the agent or broker appears as a link, offering viewers access to additional listings promoted by the same agent or broker.

Brand Promotion

We employ a variety of marketing and brand promotion methods to enhance our brand recognition and attract developer clients and real estate purchasers, including advertising arrangements and the Leju Membership Club. Membership in the Leju Membership Club is free. Users can sign up to join

the Leju Membership Club online at our website, *leju.com*, and become members following email or phone number confirmation through text message.

We conduct advertising activities in 77 cities where we directly operate local websites through promotional events for developers and other industry participants, including industry award ceremonies, panel discussions and similar events.

We launched the Leju Membership Club in 2009 to attract prospective property purchasers to our online platform. As of December 31, 2013, we had approximately 60 million members located in over 250 cities. Members are entitled to receive certain free services on our platform, including housing market newsletters, priority on sought-after properties, tours to visit property developments, promotions of new properties and invitations to exclusive events. We maintain a database of members and seek to target our services to precise market segments using our member data and our database of real estate transactions data, which is continuously updated based on our research and experience.

Sales and Marketing

Most of our new home advertising revenue and home furnishing advertising revenue is derived from our direct sales force. We also derive new home and home furnishing advertising revenue from sales through third party advertising agencies.

We have built a sales and marketing team that is experienced in the online advertising, internet and real estate industries. Our sales and marketing team comprised 1,002 personnel as of December 31, 2013. Our sales and marketing personnel work closely with our customers in local markets and help us gain insight into developments in these local markets, the competitive landscape and new market opportunities, which help us set our prices and strategies for each locality.

To motivate our sales and marketing personnel, a majority of their compensation consists of performance incentives such as commissions and bonuses. Sales quotas are assigned to all sales personnel according to monthly, quarterly and annual sales plans. In addition, we apply a merit based promotion system to motivate our sales personnel.

Employees and Training

As of December 31, 2011, 2012 and 2013, we had 2,679, 3,486 and 4,204 employees, respectively. As of December 31, 2013, we employed 1,002 sales staff, 247 software developers and other technology-related personnel, 995 editorial staff, 928 customer support personnel and 1,032 personnel in our corporate offices. We pay our sales staff a combination of salaries and sales commissions and pay salaries to all other employees. We consider our relations with our employees to be good.

We place special emphasis on the training of our employees, whom we consider to be our most valuable asset. All newly hired employees must undergo intensive training during their three-month probation period. We also invite outside experts, including experts from the E-House Research and Training Institute, to provide ongoing classroom training to our employees. The human resources department is responsible for implementing the training plans, including engaging trainers, preparing training materials, selecting training venues and collecting feedback.

Because sales of online marketing services are highly competitive, we strongly emphasize training programs designed to improve the sales and marketing skills of our sales staff. In addition to training for new hires, our sales staff participate in weekly operating meetings that include additional training opportunities. We believe our combination of training, performance-based compensation and a merit-based promotion system has been effective in identifying, motivating and retaining strong performers.

We conduct quarterly performance evaluations for all employees and use both performance-based bonuses and job promotions as incentives to encourage strong performance. We strive to maintain a

collaborative corporate culture and our mid-level and senior employees are generally eligible to participate in our share incentive plan.

Technology

To better serve our customers, we have utilized our key proprietary technologies and developed a technology infrastructure that is specifically used for our real estate and home related internet website services. The key components of our technology platform include:

- *Search platform.* Our search platform is designed to support targeted searches of our listing databases. Besides the key word search function, our search platform provides additional search functions that improve search accuracy with various search criteria, including searches based on the location, price and type of the property. In addition, our search engine is able to refine the search by conditional filtering and aggregation of the search results.
- *Large-scale system infrastructure.* With a combination of proprietary in-house and third-party solutions, we have designed our system to handle large amounts of data flow with a high degree of scalability and reliability. We use parallel computing technology and clusters of low-cost computers to handle high-volume visitor traffic and process large amounts of information.
- *Anti-fraud and anti-spam technology.* We have anti-fraud technology incorporated in our IT systems with a view to addressing the potential for non-compliant activities at our local branch offices. We maintain advertising price and discount data in our customer relationship management master file. Our system automatically triggers a risk alert for any deviation from pre-set discounts, in which case, a pre-approval email from our headquarters is required. Our system also generates a weekly report of any such exceptions for review by our headquarters. We also have an anti-spam system through which we are able to detect identify and filter spam messages with a view to protecting our staff. We attempt to continuously improve the accuracy and effectiveness of our technology through machine-learning capability and customizable rules.

We maintain most of our servers and backup servers in Beijing, Shanghai, Guangzhou and Tianjin. We believe our server hosting partners provide significant operating advantages, including high-quality bandwidth, constant room temperature and an enhanced ability to protect our systems from power loss, break-ins and other external causes of service interruption. We have not experienced any material system failures.

Competition

We face competition from other companies in each of our primary business activities. We compete with these companies primarily on our ability to attract consumers to our websites. We compete for consumers principally on the basis of the quality and quantity of real estate listings and other information content and services. We also compete for developers' business on the basis on website traffic volume, consumer loyalty, geographic coverage and service offerings. We also compete for qualified employees with skills and experience related to sales, real estate services, advertising, technology and the internet industry. Our primary competitor at the national level is *soufun.com*. Other competitors at the national level include Sohu.com Inc.'s subsidiary, *focus.cn*. In addition, we have faced and may continue to face competition from regionally focused websites providing regional real estate listings together with localized services. We have various regional competitors, such as *house365.com* in the Nanjing market, and we compete with various providers in the market for online paid property listings, including *anjike.com*. Our competitors may have more established brand names, larger visitor numbers and more extensive distribution channels than we do, either overall, or in specific regions in which we operate. We also compete with traditional advertising media such as general-purpose and real estate-focused newspapers, magazines, television and outdoor advertising that compete for spending on real estate advertising and listings.

Some of our competitors may have greater access to capital markets, more financial and other resources and a longer operating history than us. For instance, major general-purpose websites, which provide real estate and real estate-related information services, may have an advantage over us due to their more established brand name, larger user base and extensive internet distribution channels. See "Risk Factors—Risks Related to Our Business—We may fail to compete effectively, which could significantly reduce our market share and materially and adversely affect our business, financial condition and results of operations."

Intellectual Property

Our copyrights, trademarks, trade secrets, domain names and other intellectual property are important to our business. We rely on intellectual property laws and contractual arrangements with our key employees and certain of our customers, collaborators and others to protect our intellectual property rights. Despite these measures, we cannot assure you that we will be able to prevent unauthorized use of our intellectual property, which would adversely affect our business.

As of December 31, 2013, we owned 50 registered copyrights, owned or licensed 68 registered trademarks in China, had 17 trademark applications in various industry categories pending with the China Trademark Office and owned or licensed 25 registered domain names.

We own the software copyrights of our mobile applications "Pocket Leju," "Pocket Agent," "Fang Niu Jia," and "Pocket Renovation." We have registered our software copyrights of "Pocket Leju," "Pocket Agent," and "Pocket Renovation" and plan to register the software copyright of "Fang Niu Jia" during 2014.

See "Risk Factors—Risks Related to Our Business—Any failure to protect our trademarks and other intellectual property rights could have a negative impact on our business."

Facilities

Our principal executive offices are located at Beijing Shoudong International Plaza, with approximately 5,663 square meters of office space. Our headquarters has been at this location since January 2012. As of December 31, 2013, we leased properties with an aggregate gross floor area of approximately 33,630 square meters for our 53 local offices across China and at our Hong Kong office. Our leased properties mainly consist of office premises, a portion of which are leased from related parties. We believe our existing leased premises are adequate for our current business operations and that additional space can be obtained on commercially reasonable terms to meet our future requirements.

Insurance

We maintain property insurance to cover potential damages to a portion of our property. In addition, we provide medical, unemployment and other insurance to our employees in compliance with applicable laws, rules and regulations. We do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance. See "Risk Factors—Risks Related to Our Business—We have limited business insurance coverage."

Legal Proceedings

We are currently not involved in any material legal or arbitration proceedings. From time to time, we may be subject to claims and legal actions arising in the ordinary course of business, such as intellectual property infringement claims against us for use of others' articles or photographs and employment disputes and claims against us for use of our discount coupons. Such claims or legal actions, even if without merit, could result in the expenditure of significant financial and management resources and potentially result in civil liability for damages. See "Risk Factors—Risks Related to Our Business—We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business."

REGULATION

Our business is subject to substantial regulation by the PRC government. This section sets forth a summary of all material PRC regulations that affect our business in China.

General

The telecommunications industry, including internet information services, is highly regulated by the PRC government. Regulations issued or implemented by the State Council, MIIT and other relevant government authorities cover virtually every aspect of telecommunications network operations, including entry into the telecommunications industry, the scope of permissible business activities, tariff policy and foreign investment.

MIIT, under the leadership of the State Council, is responsible for, among other things:

- formulating and enforcing telecommunications industry policy, standards and regulations;
- granting licenses to provide telecommunications and internet services;
- formulating tariff and service charge policies for telecommunications and internet services;
- supervising the operations of telecommunications and internet service providers; and
- maintaining fair and orderly market competition among operators.

In addition to the regulations promulgated by the central PRC government, some local governments have also promulgated local rules applicable to internet companies operating within their respective jurisdictions.

In 1994, the Standing Committee of the National People's Congress promulgated the PRC Advertising Law. In addition, SAIC and other ministries and agencies have issued regulations that further regulate our advertising business, as discussed below.

Restrictions on Foreign Investment in the Value-Added Telecommunication Industry and Advertising Industry

Restrictions on Foreign Investment in the Value-Added Telecommunication Industry

In September 2000, the State Council promulgated the Telecommunications Regulations, which categorize all telecommunications businesses in China as either basic telecommunications businesses or value-added telecommunications businesses. In February 2003, MIIT amended the original classification of telecommunications business with internet information services being classified as value-added telecommunications businesses.

The State Council promulgated the Administrative Rules on Foreign-invested Telecommunications Enterprises in December 2001, as amended in September 2008, or the FITE Regulations. The FITE Regulations set forth detailed requirements with respect to capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. Pursuant to these administrative rules, the ultimate capital contribution ratio of the foreign investor or investors in a foreign-invested telecommunications enterprise that aims to provide value-added telecommunications services may not exceed 50.0%. In addition, pursuant to the Foreign Investment Industrial Guidance Catalogue issued by the PRC government, the permitted foreign investment in value-added telecommunications service providers may not be more than 50.0%. However, for a foreign investor to acquire any equity interest in a value-added telecommunications business in China, it must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating a value-added telecommunications business overseas. Moreover, foreign investors that meet these requirements must obtain approvals from MIIT and the Ministry of Commerce or their authorized local counterparts, which retain considerable discretion in granting approvals.

In July 2006, MIIT publicly released the Notice on Strengthening the Administration of Foreign Investment in Operating Value-added Telecommunications Business, or the MIIT Notice, which reiterates certain provisions under the FITE Regulations. According to the MIIT Notice, if any foreign investor intends to invest in a PRC telecommunications business, a foreign-invested telecommunications enterprise must be established and such enterprise must apply for the relevant telecommunications business licenses. Under the MIIT Notice, domestic telecommunications enterprises are prohibited from renting, transferring or selling a telecommunications license to foreign investors in any form, and from providing any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China.

Restrictions on Foreign Investment in Advertising Services

The principal regulations governing foreign investment in advertising businesses in China include:

- The Foreign Investment Industrial Guidance Catalogue (2011);
- The Administrative Regulations on Foreign-invested Advertising Enterprises (2008); and
- The Circular Regarding Investment in the Advertising Industry by Foreign Investors through Equity Acquisition (2006).

These regulations require foreign entities that directly invest in the PRC advertising industry to have at least a two-year track record with a principal business in the advertising industry outside China. Since December 2005, foreign investors have been permitted to directly own a 100% interest in advertising companies in China, but such foreign investors are also required to have at least a three-year track record with a principal business in the advertising industry outside China. PRC laws, rules and regulations do not permit the transfer of business licenses containing a scope of business that permits engagement in the advertising business. Currently, we operate our advertising business through Beijing Leju and its subsidiaries. In the event we are able to qualify to acquire the equity interest in Beijing Leju under the rules allowing complete foreign ownership, Beijing Leju and its subsidiaries would continue to exist as the operators of our advertising business consistent with the current regulatory requirements. However, as a holding company, we have not been involved in advertising outside China for the required number of years.

As a result of current PRC laws, rules and regulations that impose substantial restrictions on foreign investment in the internet and advertising businesses in China, we conduct this portion of our operations through a series of contractual arrangements among our PRC subsidiaries, our consolidated VIEs and their respective shareholders. For a description of these contractual arrangements, or the Structure Contracts, see "Related Party Transactions—Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajiju (the consolidated VIEs)."

In the opinion of Fangda Partners, our PRC legal counsel, each of the Structure Contracts, in each case governed by PRC law, is valid and binding and enforceable in accordance with their respective terms based on currently effective PRC laws and regulations, and do not violate PRC laws or regulations currently in effect.

However, as advised by our PRC legal counsel, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws, rules and regulations, including the laws and regulations governing the enforcement and performance of our Structure Contracts in the event of any imposition of statutory liens, bankruptcy and criminal proceedings, and accordingly, there can be no assurance that the PRC regulatory authorities will not ultimately take a contrary view from that of Fangda Partners, our PRC legal counsel. We have been further advised by our PRC counsel that if the PRC regulatory authorities determine that our Structure Contracts for operating our internet and advertising business in China do not comply with PRC government restrictions on foreign investment in such industries, we could be subject to severe penalties. See "Risk Factors—Risks Related to Our

Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our advertising services business and online real estate business in China do not comply with PRC governmental restrictions on foreign investment in the advertising industry or the internet information service industry, we could be subject to severe penalties." In addition, see "Risk Factors—Risks Related to Our Corporate Structure—Our ability to enforce the equity pledge agreements between us and the shareholders of Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu may be subject to limitations based on PRC laws and regulations."

Regulation relating to Our Business

Internet Information Services

General

The provision of real estate and home-related and other content on internet websites is subject to applicable PRC laws, rules and regulations relating to the telecommunications industry and the internet, and regulated by various government authorities, including MIIT and SAIC. The principal regulations governing the telecommunications industry and the internet include:

- the Telecommunications Regulations (2000);
- the Catalog of Classes of Telecommunications Business (2003);
- the Administrative Measures for Telecommunications Business Operating Licenses (2009);
- the Internet Information Services Administrative Measures (2011); and
- the Notice on Strengthening the Administration of Foreign Investment in Operating Value-added Telecommunications Business (2006).

Under these regulations, internet information services are classified as value-added telecommunications businesses, and a commercial operator must obtain an ICP license from MIIT or its relevant provincial counterparts in order to carry out commercial internet information service operations in China. If an internet information service provider is not engaged in commercial internet information service, it is only required to file a record with MIIT or its relevant provincial counterparts. In addition, the regulations also provide that operators involved in internet content provision in sensitive and strategic sectors, including news, publishing, education, health care, medicine and medical devices, must obtain additional approvals from the relevant authorities in relation to those sectors.

To comply with these laws and regulations, Beijing Leju and Shanghai Yi Xin, our consolidated VIEs, and Beijing Yisheng Leju Internet Technology Co., Ltd., a subsidiary of our consolidated VIE Beijing Jiajujiu, each hold a valid ICP license issued by the local provincial branch of MIIT for the operation of our value-added telecommunication business.

The MIIT Notice requires that a value-added telecommunications business operator (or its shareholders) must own domain names and trademarks used by it in the value-added telecommunications business, and have premises and facilities appropriate for such business. To comply with the MIIT Notice, Beijing Leju, a consolidated VIE, has been registered as the owner or is applying to be the owner of the Chinese and English dual-language "Leju" trademark in several categories and has obtained the domain names of *leju.com* and *leju.cn*. Beijing Yisheng Leju Online Technology Co., Ltd., a subsidiary of our consolidated VIE Beijing Jiajujiu, has registered the domain name of *jiaju.com*.

Internet Publication License

According to the Tentative Measures of Internet Publication Administration, jointly issued by GAPPRT and MIIT in June 2002, all entities that are engaged in internet publication in China must obtain an approval from GAPPRT. Internet publication is broadly defined in the Tentative Measures

of Internet Publication Administration to include any act of online dissemination whereby any internet information service provider selects, edits and processes information (including content from books, newspaper, periodicals, audio and video products and electronic publications that have already been formally published or information that has been made public in other media) created by themselves or others and subsequently posts such information on the internet or transmits it to users via the internet for browsing, reading, use or downloading by the public.

Our consolidated VIEs and their subsidiaries do not have internet publication licenses. For content which we believe are subject to the requirements of these licenses, such content is hosted by SINA and Baidu, who possess these licenses, through our contractual arrangement with SINA and Baidu. However, we cannot assure you that government would not require us to obtain these licenses separately for operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content is provided by a qualified third party like SINA and Baidu. See "Risk Factors—Risks related to Our Business—If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions."

Online Transmission of Audio-Visual Programs

On December 20, 2007, GAPPRT and MIIT jointly promulgated the Administrative Provisions on Internet Audio-visual Program Service, or the Audio-visual Program Provisions, which came into effect on January 31, 2008. The Audio-visual Program Provisions apply to the provision of audio-visual program services to the public via internet (including mobile network) within the territory of the PRC. Providers of internet audio-visual program services are required to obtain a License for Online Transmission of Audio-visual Programs issued by GAPPRT or complete certain registration procedures with GAPPRT. Providers of internet audio-visual program services are generally required to be either state-owned or state-controlled by the PRC government, and the business to be carried out by such providers must satisfy the overall planning and guidance catalog for internet audio-visual program services determined by GAPPRT. On May 21, 2008, GAPPRT issued a Notice on Relevant Issues Concerning Application and Approval of License for Online Transmission of Audio-visual Programs, which further sets forth detailed provisions concerning the application and approval process regarding the License for Online Transmission of Audio-visual Programs. The notice also provides that providers of internet audio-visual program services who engaged in such services prior to the promulgation of the Audio-visual Program Provisions shall also be eligible to apply for the license so long as their violation of the laws and regulations (if any) is minor and can be rectified timely and they have no record of violation during the latest three months prior to the promulgation of the Audio-visual Program Provisions. On April 1, 2010, GAPPRT issued the Internet Audio/Visual Program Services Categories (Provisional) which classified internet audio-visual programs into four categories. Our consolidated VIEs and their subsidiaries do not have Licenses for Online Transmission of Audio-visual Programs. For content which we believe are subject to the requirements of these licenses, such content is hosted by SINA and Baidu, who possess these licenses through our contractual arrangement with them. However, we cannot assure you that government would not require us to obtain these licenses separately for operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content is provided by a qualified third party such as SINA and Baidu. See "Risk Factors—Risks related to Our Business—If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions."

Regulations relating to Information Security and Confidentiality of User Identity and Information

Internet content in China is also regulated and restricted from a state security standpoint. Pursuant to the Decision Regarding the Protection of Internet Security enacted by the Standing Committee of

the National People's Congress, any effort to undertake the following actions may be subject to criminal punishment in China:

- gain improper entry into a computer or system of national strategic importance;
- disseminate politically disruptive information;
- leak government secrets;
- spread false commercial information; or
- infringe intellectual property rights.

The Ministry of Public Security has also promulgated measures that prohibit the use of the internet in ways that, among other things, result in the leakage of government secrets or the spread of socially destabilizing content. The Ministry of Public Security and its local counterparts have supervision and inspection powers in this regard, and we may be subject to the jurisdiction of the local security bureaus. If an internet information service provider violates these measures, the PRC government may revoke its license and shut down its website. To comply with these laws and regulations, we require our users to accept the user terms or service agreement for registration with, and use of, our websites, whereby they agree to comply with the applicable PRC laws and regulations in using our websites, and we also maintain constant surveillance and monitoring on the information posted on our websites. However, the measures we take may not be adequate to ensure that all the information posted on our websites are in compliance with these laws and regulations. See "Risk Factors—Risks related to Our Business—Regulation of the internet industry in China, including censorship of information distributed over the internet, may materially and adversely affect our business."

The security and confidentiality of information on the identity of internet users are also regulated in China. The Internet Information Service Administrative Measures promulgated by the PRC State Council require internet information service providers to maintain an adequate system that protects the security of user information, and the Administrative Regulations on Internet Bulletin Board Services adopted by MIIT in October 2000 require internet electronic bulletin board service providers to protect the security and confidentiality of the personal information of users who use bulletin board services. In December 2005, the Ministry of Public Security promulgated the Regulations on Technical Measures of Internet Security Protection, requiring internet service providers to utilize standard technical measures for internet security protection. Moreover, the Rules for Regulating the Market Order of Internet Content Services enhance the protection of internet users' personal information by prohibiting internet information service providers from unauthorized collection, disclosure or use of personal information of their users. In December 2012, the Standing Committee of the National People's Congress passed the Decision on Strengthening Internet Information Protection, which provides that all internet service providers in China, including internet information service providers, should require their users to provide real identity information when entering into service agreements or providing services to the users. On July 16, 2013, the MIIT issued Provisions on Protecting Personal Information of Telecommunication and Internet Users, or the Provisions on Personal Information, under which Internet information service providers are subject to strict requirements to protect personal information of internet users. The internet information service providers are prohibited from collecting personal information of internet users without obtaining consent from the users. Personal information collected shall be used only in connection with the services to be provided by Internet information service providers to such users and shall be kept in strict confidence. To comply with these laws and regulations, we require our users to accept the user terms or service agreement for registration with and use of our websites whereby they agree to provide certain personal information to us and agree to our use of their provided personal information under certain agreed circumstances, and we have established information security systems to protect users' privacy.

Advertising Services

SAIC is responsible for regulating advertising activities in China. The principal regulations governing advertising in China, including online advertising, include:

- the Advertising Law (1994);
- the Administration of Advertising Regulations (1987); and
- the Implementation Rules for the Administration of Advertising Regulations (2005).

These regulations stipulate that companies that engage in advertising activities in China must obtain from SAIC or its local branches a business license which specifically includes operating an advertising business within its business scope. Companies conducting advertising activities without such a license may be subject to penalties, including fines, confiscation of illegal revenues and orders to cease advertising operations. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of any relevant law or regulation.

The business scope of the business licenses of Beijing Leju and its subsidiaries includes operating an advertising business, which allows them to engage in the advertising business.

PRC advertising laws and regulations also set forth certain content requirements for advertisements in the PRC including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies, and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they prepare or distribute is true and in full compliance with applicable law. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, SAIC or its local branches may revoke violators' licenses or permits for their advertising business operations. To comply with these laws and regulations, we maintain a task force to review the advertising materials to ensure the content does not violate the relevant laws and regulations before displaying such advertisements, and we also request relevant advertisers to provide proof of governmental approval if an advertisement is subject to special government review.

Regulations relating to Real Estate Brokerage Business

The principal regulations governing the real estate brokerage business in China include the Law on Administration of the Urban Real Estate issued by the Standing Committee of National People's Congress in July 1994 and revised in August 2009, and the Administrative Measures for Real Estate Brokerage issued in January 2011. Pursuant to these laws, a company must register with the local offices of SAIC in each locality where it does business in order to operate real estate brokerage business. In addition, a real estate brokerage company and its branches shall file with the local real estate administrative authority within 30 days after it obtains the business license. The Foreign Investment Industrial Guidance Catalogue classifies the real estate agency and brokerage services within the restricted category for foreign investment. Accordingly, a wholly foreign-owned enterprise in China shall require approval from the Ministry of Commerce or its local counterpart in order to establish or invest in any subsidiary to engage real estate agency and brokerage services. We mainly use

E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd., or City Rehouse, and its subsidiaries to provide support for our e-commerce business. Although City Rehouse has not obtained approval from the competent local branch of the Ministry of Commerce in connection with its establishment of, or investment in, its subsidiaries with the business scope of real estate brokerage business, each subsidiary of City Rehouse has obtained and maintained a business license with such business scope. See "Risk Factors—Risks Related to Doing Business in China—Foreign ownership of the real estate agency and brokerage business in China is restricted under PRC regulations. This may limit our ability to establish new PRC operating entities or to increase the registered capital of our existing entities in the future."

Regulations relating to Trademarks

Both the PRC Trademark Law and the Implementation Regulation of the PRC Trademark Law, as currently in effect, provide protection to the holders of registered trademarks and trade names. The PRC Trademark Office handles trademark registrations and grants a renewable term of rights of ten years to registered trademarks. In addition, trademark license agreements must be filed with the PRC Trademark Office.

After receiving a trademark registration application, the PRC Trademark Office will make a public announcement with respect to the proposed trademark registration application if the relevant trademark passes the preliminary examination. Any person may, within three months after such public announcement, object to such trademark application. The PRC Trademark Office will then decide who is entitled to the trademark registration, and its decisions may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement period or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, upon which the trademark is registered and will be effective for a renewable ten-year period, unless otherwise revoked. As of December 31, 2013, we owned or licensed 30 registered trademarks in China, and had 30 trademark applications in various industry categories pending with the China Trademark Office.

Regulations relating to Employment

The principal PRC laws and regulations that govern employment include:

- the PRC Labor Law, effective on January 1, 1995 and amended on August 27, 2009; and
- the PRC Labor Contract Law, effective on January 1, 2008 and its amendments that became effective on July 1, 2013.

Under the PRC Labor Law, PRC Labor Contract Law and its implementing rules effective on September 18, 2008, employers must enter into written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. Employers in China are required to provide employees with welfare schemes covering pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds. Employers in most cases are also required to provide a severance payment to their employees after their employment relationships are terminated. We have caused all of our full-time employees to enter into written labor contracts with us and provide our employees with the proper welfare and employment benefits.

Pursuant to the PRC Labor Contract Law and its latest amendments effective on July 1, 2013, dispatched employees are intended to be a supplementary form of employment and shall only apply to provisional, auxiliary or substitutive positions, and the fundamental form should be direct employment by enterprises and organizations that require employees. It is expressly stated that the number of dispatched employees an employer uses may not exceed a "certain percentage" of its total labor force.

The Interim Provisions on Labor Dispatch which will come into force on March 1, 2014, further set such percentage at 10% and provide a two-year transitional period for compliance with such requirement. Failure to comply with these requirements may result in orders of rectification and imposition of fines. See "Risk Factors—Risks Related to Our Business—Increases in labor costs in the PRC may adversely affect our business and our profitability."

Regulations relating to Foreign Exchange Control and Administration

Foreign Exchange Administration

The principal regulation governing foreign currency exchange in the PRC is the Regulations of the PRC on Foreign Exchange Administration, or the Foreign Exchange Regulations, as amended in August 2008. Under the Foreign Exchange Regulations and other relevant PRC regulations and rules, Renminbi is convertible into other currencies for the purpose of current account transactions, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for capital account transactions, such as capital injections, loans, repatriation of investments and investments in securities outside the PRC, requires the prior approval from, or registration with, SAFE or its local branches.

In utilizing the proceeds we receive from this offering in the manner described in "Use of Proceeds," as an offshore holding company with PRC subsidiaries, we may (i) make additional capital contributions to our PRC subsidiaries; (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries; (iii) make loans to our PRC subsidiaries or consolidated VIEs; or (iv) acquire offshore entities with business operations in China in an offshore transaction. However, most of these uses are subject to PRC regulations and approvals, such as:

- capital contributions to our PRC subsidiaries must be approved by the Ministry of Commerce or its local counterparts;
- loans by us to our PRC subsidiaries cannot exceed the statutory limit which is the difference between the amount of total investment and the amount of registered capital of such subsidiaries as approved by the Ministry of Commerce or its local counterpart, and must be registered with SAFE or its local branches; and
- loans by us to our consolidated VIEs must be approved by the National Development and Reform Commission and must also be registered with SAFE or its local branches.

On August 29, 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises, or Circular 142, pursuant to which the registered capital of a foreign-invested company settled in Renminbi and converted from foreign currencies can only be used for purposes within the approved business scope of such foreign-invested company and cannot be used for equity investments made by such foreign-invested company within the PRC, unless otherwise provided by law. In addition, a foreign-invested company may not change the use of the Renminbi funds converted from its foreign currency registered capital without SAFE or its local branch's approval, and may not in any case use such funds to repay Renminbi-denominated loans if the proceeds of such loans have not been used within the permitted scope. Violations of Circular 142 could result in severe penalties, including heavy fines. In addition, SAFE promulgated the Notice on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Businesses in November 2010, which requires the authenticity of settlement of the funds raised from offshore offerings to be closely examined and the settlement of funds should conform to their intended use as listed in the offering document. For the settlement of funds in excess of those intended by the offering document or for a purpose other than that listed in the offering document, a board resolution relating to the use of funds shall be submitted as a separate application document. SAFE further promulgated a circular in

November 2011, which prohibits a foreign-invested enterprise from using Renminbi funds converted from its foreign currency registered capital to provide entrustment loans or repay loans borrowed from non-financial enterprises. These circulars may limit our ability to transfer the net proceeds from this offering to our consolidated VIEs and the subsidiaries of our wholly foreign-owned subsidiaries in China, and we may not be able to convert the net proceeds from this offering into Renminbi to invest in or acquire any other PRC companies, or establish other consolidated VIEs in China. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries."

On November 19, 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, or Circular 59, which became effective on December 17, 2012. Circular 59 substantially amends and simplifies the then current foreign exchange procedures. Under Circular 59, the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account, guarantee account) no longer requires the approval of SAFE. Reinvestment of Renminbi proceeds by foreign investors in the PRC no longer requires SAFE approval or verification.

On May 10, 2013, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with SAFE and/or its local branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

Foreign Exchange Registration of Offshore Investments by PRC Residents

Pursuant to SAFE's Notice on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Corporate Financing and Roundtrip Investment through Offshore Special Purpose Vehicles, or Circular 75, which became effective on November 1, 2005, and a series of subsequent implementation rules and guidance, PRC residents are required to register with the local SAFE branch prior to establishing, or acquiring control of any company outside of China for the purpose of capital financing with assets or equities of PRC companies referred to in the notice as an "offshore special purpose company." In addition, PRC resident beneficial owners are required to amend their registrations with the local SAFE branch after contributing equity interests in, or assets of, an onshore enterprise to the offshore special purpose company, or making any other material change in the capital of the offshore special purpose company. Furthermore, according to the relevant rules and regulations issued by the SAFE, the shareholders, beneficial owners and/or the PRC operating subsidiaries who apply for remedial SAFE registrations under Circular 75 shall first be subject to various administrative sanctions in accordance with the Foreign Exchange Regulations, before they can be granted a remedial SAFE registration.

Circular 75 applies retroactively. As a result PRC residents who are beneficial owners of offshore special purpose companies and have completed round trip investments but did not make foreign exchange registrations for overseas investments before November 1, 2005 were retroactively required to register with the local SAFE branch before March 31, 2006. Failure to comply with the registration procedures of Circular 75 may result in restrictions on the foreign exchange activities of the onshore company, including increases in its registered capital, payments of dividends and other distributions to its offshore parent or affiliate, and may also subject the relevant PRC residents and onshore entities to penalties under foreign exchange administration regulations. We are aware that our PRC resident beneficial owners subject to these SAFE registration requirements have registered with the Shanghai SAFE branch and will amend such registration to reflect the recent changes to our corporate structure.

However, we cannot provide any assurance that all of our beneficial owners who are PRC residents will continue to make, obtain or amend any applicable registrations or approvals required by these SAFE regulations. Any failure or inability of our PRC resident beneficial owners to comply with the registration procedures set forth therein may subject us to fines and legal sanctions, restrict our cross-border investment activities, or limit our ability to contribute additional capital into our PRC subsidiaries, or limit our PRC subsidiaries' ability to pay dividends or make other distributions to our company or otherwise adversely affect our business. Moreover, failure to comply with the SAFE registration requirements could result in liability under PRC laws for evasion of foreign exchange restrictions.

Foreign Exchange Registration of Employee Stock Incentive Plans

On February 15, 2012, SAFE issued the Stock Option Rules, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly-Listed Companies issued by SAFE on March 28, 2007. Under the Stock Option Rules, a PRC entity's directors, supervisors, senior management officers, other staff or individuals who have an employment or labor relationship with a Chinese entity and are granted stock options by an overseas publicly listed company are required, through a qualified PRC domestic agent which could be a PRC subsidiary of such overseas publicly listed company, to register with SAFE and complete certain other procedures. Such PRC resident participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, purchase and sale of corresponding stocks or interests, and fund transfer. The PRC agent shall, among other things, file on behalf of such PRC resident participants an application with SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the exercise or sale of stock options or stock such participants hold. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material aspects. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC resident employees who have been granted stock options or other share-based incentives of our company will be subject to the Stock Option Rules when our company becomes an overseas listed company upon the completion of this offering. If we or our PRC resident participants fail to comply with these regulations in the future, we and/or our PRC resident participants may be subject to fines and legal sanctions.

Regulations relating to Dividend Distributions

The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include:

- Company Law (2005);
- Wholly Foreign-Owned Enterprise Law (1986), as amended in 2000; and
- Wholly Foreign-Owned Enterprise Law Implementation Regulations (1990), as amended in 2001.

Under these regulations, wholly foreign-owned enterprises in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise in the PRC is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve funds reaches 50% of its registered capital. The board of directors of a wholly

foreign-owned enterprise has the discretion to allocate a portion of its after tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends.

Regulations relating to Overseas Listings

On August 8, 2006, six PRC regulatory agencies, namely, the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, SAIC, CSRC and SAFE, jointly adopted the M&A Rules, which became effective on September 8, 2006 and were amended on June 22, 2009. The M&A Rules, among other things, require that offshore special purpose vehicles, or SPVs, formed for the purpose of an overseas listing and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such SPV's securities on an overseas stock exchange. The application of the M&A Rules remains unclear. Our PRC legal counsel, Fangda Partners, has advised us that, based on their understanding of the current PRC laws, rules and regulations, neither CSRC approval nor any other governmental authorization is required under the M&A Rules in the context of this offering because the ownership structures of our PRC subsidiaries and consolidated VIEs were not established through acquisitions of equity interests or assets of any PRC domestic company by foreign entities as defined under the M&A Rules.

However, we have been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of the PRC law, and there can be no assurance that the PRC government will ultimately take a view that is not contrary to the above opinion of our PRC legal counsel. If it is determined that the CSRC approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek the CSRC approval for this offering. These sanctions may include fines and penalties on our operations in the PRC although, to our knowledge, no definitive rules or interpretations have been issued to determine or quantify such fines or penalties, delays or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our PRC subsidiaries, or other actions that may have a material adverse effect on our business and the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable to us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

MANAGEMENT**Directors and Executive Officers**

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Xin Zhou	46	Executive Chairman
Yinyu He	39	Chief Executive Officer
Li-Lan Cheng	49	Executive Director
Charles Chao*	48	Director
Canhao Huang	57	Director
Zhe Wei*	44	Independent Director
Jian Sun*	50	Independent Director
Min Fan*	49	Independent Director
Winston Li*	47	Independent Director
Weijie Ma	38	Co-President
Keyi Chen	41	Co-President
Min Chen	40	Chief Financial Officer

* Messrs. Charles Chao, Zhe Wei, Jian Sun, Min Fan and Winston Li have accepted our appointment to be directors of our company, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Mr. Xin Zhou has served as our Executive Chairman since our inception. He is one of the co-founders of our parent company, E-House, and has served as E-House's chairman from 2003 to April 2012 and currently co-chairman. Mr. Zhou served as E-House's chief executive officer from 2003 to 2009, and has been serving as E-House's chief executive officer since April 2012. Mr. Zhou also served as co-chairman and chief executive officer of E-House's subsidiary, China Real Estate Information Corporation, from 2009 to April 2012. Mr. Zhou has over 20 years of experience in China's real estate industry. From 1997 to 2003, he served as a director and the general manager of Shanghai Real Estate Exchange Co., Ltd., and as the deputy general manager of Shanghai Jinfeng Investments Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr. Zhou was awarded the "Special Contribution Award in China's Real Estate Service Industry" in 2005, named one of the "ten most influential people in the real estate services industry in 2005" from China City Property Exposition Commission and received the "Outstanding Entrepreneur Award" from Enterprise Asia in 2010. Mr. Zhou currently serves as executive director of China Real Estate Association, and as chairman of Real Estate Service Committee of China Real Estate Association. He is also chairman of Shanghai Real Estate Broker Industry Association, executive director of Real Estate Industry Research Center of Shanghai Academy of Social Sciences and honorary vice-chairman of Shanghai Young Entrepreneur Association. Mr. Zhou received his bachelor degree from Shanghai Industrial University in China.

Mr. Yinyu He has served as our chief executive officer since September 2011 and vice-president from January 2011 to August 2011. He served as our director of strategic planning from August 2008 to December 2010. Prior to joining Leju, Mr. He was the publisher and chief editor of UBM's InformationWeek China from 2004 to 2008. From 2000 to 2004, he served as a senior reporter and researcher covering China's IT, telecom, financial, and media industries at Interfax (China) News Agency, where he was a founding member. He also worked as a journalist, reporter, commentator, and anchor for a number of media outlets including the China Business Network (CBN), Shanghai Television, Eastern Radio, Securities Herald, Eastday.com, and Finance Director magazine (part of The Economist Group). He received his bachelor's degree and master's degree from Shanghai University.

Mr. Li-Lan Cheng has served as our executive director since March 2014. Mr. Cheng currently serves as the chief operating officer of E-House, a position he has held since April 2012. He was E-House's chief financial officer from November 2006 to April 2012. Prior to joining E-House, Mr. Cheng served as the chief financial officer of SouFun Holdings Limited, a real estate internet company in China, from 2005 to 2006. From 2002 to 2004, Mr. Cheng served as an executive director and the chief financial officer of SOHO China Limited, a real estate developer in Beijing. Mr. Cheng was an assistant director and the head of the Asian transportation sector investment banking group of ABN AMRO Asia from 1997 to 2002. Mr. Cheng is an independent director of Country Style Cooking Restaurant Chain Co., Ltd., a China-based quick service restaurant chain listed on the NYSE, Le Gaga Holdings Limited, a greenhouse vegetable producer listed on NASDAQ and 51job, Inc., a human resource service provider listed on NASDAQ. Mr. Cheng received a bachelor's degree in Economics from Swarthmore College and a Ph.D. degree in Economics from the Massachusetts Institute of Technology. Mr. Cheng is a chartered financial analyst (CFA).

Charles Chao will serve as our director commencing from the SEC's declaration of effectiveness of our registration statement, of which this prospectus is a part. He has served as the co-chairman of the board of our parent company, E-House, since April 2012. Mr. Chao currently serves as SINA's chairman and chief executive officer. Since joining SINA in September 1999, Mr. Chao has served various managerial positions, including as vice president of finance, chief financial officer, co-chief operating officer and president. Prior to that, Mr. Chao served as an audit manager at PricewaterhouseCoopers, LLP in Silicon Valley, California. Mr. Chao is currently an independent director of NetDragon Websoft Inc., a Hong Kong Stock Exchange listed company providing technology for online games. Mr. Chao received his master's degree in professional accounting from University of Texas at Austin. He also holds a master's degree in journalism from University of Oklahoma and a bachelor's degree in journalism from Fudan University in China.

Canhao Huang has served as our director since March 2014. Mr. Huang currently serves as a director of E-House. He was E-House's chief operating officer from September 2007 to December 2009, and vice president from 2000 to 2007. Prior to joining E-House, Mr. Huang served as a manager at Shanghai No. 1 Department Store Co., Ltd. from 1985 to 2000. Mr. Huang received a bachelor's degree from Shanghai University.

Zhe Wei will serve as our independent director, commencing from the SEC's declaration of effectiveness of our registration statement, of which this prospectus is a part. Mr. Wei has over 15 years of experience in both investment and operational management in the People's Republic of China. Prior to launching Vision Knight Capital (China) Fund I, L.P., a private equity investment fund in 2011, Mr. Wei was an executive director and chief executive officer of Alibaba.com Limited, a leading worldwide B2B e-commerce company. Mr. Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q China, a subsidiary of Kingfisher plc, a leading home improvement retailer in Europe and Asia. From 2003 to 2006, Mr. Wei was also the chief representative for Kingfisher's China sourcing office, Kingfisher Asia Limited. Prior to that, Mr. Wei served as the head of investment banking at Orient Securities Company Limited from 1998 to 2000, and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 and 1998. Mr. Wei was a non-executive director of HSBC Bank (China) Company Limited and The Hongkong and Shanghai Banking Corporation Limited, and was also the vice chairman of China Chain Store & Franchise Association. He was voted as one of "China's Best CEO" by FinanceAsia magazine in 2010. Mr. Wei holds a bachelor's degree in international business management from Shanghai International Studies University and has completed a corporate finance program at London Business School.

Jian Sun will serve as our independent director, commencing from the SEC's declaration of effectiveness of our registration statement, of which this prospectus is a part. Mr. Sun currently serves as an independent director of E-House. Mr. Sun also serves as director and the chief executive officer

of Home Inns & Hotels Management Inc., a NASDAQ-listed economy hotel chain company, and also serves as an independent director of Mecox Lane Limited, a NASDAQ-listed online platform for apparel and accessories company. Mr. Sun has over ten years of consumer industry experience. From 2003 to 2004, Mr. Sun served as a vice president of operations for B&Q (China) Ltd., a subsidiary of Kingfisher plc, the third largest home improvement retail group in the world, overseeing the operation of 15 B&Q superstores in China. From 2000 to 2003, Mr. Sun served as a vice president of marketing for B&Q (China) Ltd., leading B&Q's market positioning and branding efforts in China. Mr. Sun received a bachelor's degree in management from Shanghai Medical University.

Min Fan will serve as our independent director, commencing from the SEC's declaration of effectiveness of our registration statement, of which this prospectus is a part. Mr. Fan is the co-founder of CTRIP.com International Limited, a NASDAQ listed travel service provider in China and currently serves as the vice chairman of board and president. Mr. Fan served as the chief executive officer, from January 2006 to February 2013, the chief operating officer, from November 2004 to January 2006, and the executive vice president, from 2000 to November 2004, of CTRIP.com International Limited. From 1997 to 2000, Mr. Fan served as the chief executive officer of Shanghai Travel Service Company, a leading domestic travel agency in China. From 1990 to 1997, he served as the deputy general manager and in a number of other senior positions at Shanghai New Asia Hotel Management Company, which was one of the leading hotel management companies in China. Mr. Fan received his master's degree in management sciences and bachelor's degree in industrial management sciences from Shanghai Jiao Tong University.

Winston Li will serve as our independent director, commencing from the SEC's declaration of effectiveness of our registration statement, of which this prospectus is a part. Mr. Li currently serves as an independent director of E-House. Mr. Li is the chief financial officer of Sungy Mobile Ltd., a NASDAQ-listed provider of mobile internet products and services. Mr. Li is a director of Le Gaga Holdings Limited, a NASDAQ-listed Chinese greenhouse vegetable producer. He is also an independent director of Country Style Cooking Restaurant Chain Co., Ltd., a China-based quick service restaurant chain listed on the NYSE. From 2004 to 2010, Mr. Li served as an independent director of ZTE Corporation, the largest public telecom equipment manufacturing company in China. Mr. Li served as a partner at the Hong Kong office of Linklaters LLP from 2002 to 2004 and an attorney at the Hong Kong office of Skadden Appis Slate Meagher & Flom LLP from 1997 to 2002. Mr. Li received his bachelor's degree in biochemistry from Peking University and master of science degree from the University of Michigan, Ann Arbor. He received his juris doctor degree from Columbia Law School.

Mr. Weijie Ma has served as our co-president since January 2014. He currently serves as the deputy chief financial officer of E-House and was E-House's financial controller from August 2007 to December 2013. From August 2000 to July 2007, Mr. Ma was the financial controller of E-House's subsidiary Shanghai Real Estate Sales (Group) Co., Ltd. From July 1997 to July 2000, he was a senior auditor at Ernst & Young. Mr. Ma received a bachelor's degree from Shanghai University of Finance and Economics.

Mr. Keyi Chen has served as our co-president since September 2011 and was the general manager of our Beijing branch from January 2011 to August 2011. Prior to that, Mr. Chen was the general manager of Beijing Jiahua Hengshun Media & Advertising Co., Ltd., an internet advertising company focused on real estate and home furnishing sectors in China, from 2007 to 2010. From 2006 to 2007, Mr. Chen served as the general manager of Langtian Interactive Advertising Co., Ltd., an affiliate to Allyes Group, an online advertising service provider in China. From 2003 to 2005, Mr. Chen founded and served as the general manager of Langtian Jiaxun Advertising Co., Ltd., which focused on internet advertising in real estate and education industries. Mr. Chen received a bachelor's degree from North China University of Technology.

Min Chen has served as our chief financial officer since March 2014. Prior to joining Leju, Ms. Chen worked for Bank of America Merrill Lynch Hong Kong office from June 2006 to March 2014, most recently serving as managing director, head of Asia corporate finance and head of China real estate and lodging within the global corporate and investment banking division. Prior to that, Ms. Chen served as a vice president at Citigroup in New York from July 2002 to April 2006. Ms. Chen received her bachelor's degree in political science and economics from Yale University and an MBA degree from Harvard Business School.

Board of Directors

Our board of directors will consist of eight directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (i) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (ii) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We will establish two committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: an audit committee and a compensation committee. We have adopted a charter for each of the two committees.

A company of which more than 50% of the voting power is held by a single entity is considered a "controlled company" under Section 303A of the Corporate Governance Rules of the NYSE. A controlled company need not comply with the applicable NYSE corporate governance rules requiring its board of directors to have a majority of independent directors and independent compensation and nominations/corporate governance committees. Because more than 50% of the voting power of our company will be held by E-House immediately following this offering, we will qualify as a "controlled company" under the Corporate Governance Rules of the NYSE. Immediately following this offering, the company will avail itself of the controlled company exception provided under those rules. As a result, we will not have a majority of independent directors nor a separate nominating committee. In addition, our compensation committee will not consist entirely of independent directors and we will not be required to have an annual performance evaluation of the compensation committee.

Audit Committee

Our audit committee will consist of Messrs. Zhe Wei, Min Fan and Winston Li. Mr. Zhe Wei will be the chairman of our audit committee. We have determined that Messrs. Wei, Fan and Li satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE and Rule 10A-3 under the Exchange Act. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;

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

Compensation Committee

Our compensation committee will consist of Mr. Li-Lan Cheng and Mr. Jian Sun, and will be chaired by Mr. Cheng. Mr. Sun satisfies the "independence" requirements of Section 303A of the Corporate Governance Rules of NYSE. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- reviewing the total compensation package for our executive officers and making recommendations to the board with respect to it;
- approving and overseeing the total compensation package for our executives other than the three most senior executives;
- reviewing the compensation of our directors and making recommendations to the board with respect to it; and
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans.

Duties of Directors

Under Cayman Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

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

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;

- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

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

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

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

Compensation of Directors and Executive Officers

For the year ended December 31, 2013, we paid an aggregate of approximately RMB2.9 million (\$0.5 million) in cash to our executive officers, and we did not pay any compensation to our director. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries and consolidated VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Share Incentive Plan

In November 2013, we adopted the Leju Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of shares that may be issued pursuant to all awards under the plan shall be 10,434,783 ordinary shares, or 8% of our total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan.

On December 1, 2013, we granted options to certain of our employees and certain of E-House's employees for the purchase of 7,192,000 ordinary shares at an exercise price of \$4.60 per share, pursuant to our share incentive plan. The options expire ten years from the date of grant. The options vest ratably at each grant date anniversary over a period of three years. The grant-date fair value of the options granted was \$2.21 per share. On December 16, 2013, we replaced 600,000 options granted to one of our senior management and one E-House's employee with the same number of restricted shares, with all other substantive terms remaining unchanged. On January 21, 2014, we replaced 60,000 options granted to one E-House's employee with the same number of restricted shares, with all other substantive terms remaining unchanged. There is no incremental compensation cost from the replacement.

As of the date of this prospectus, a total of 6,512,000 options and a total of 660,000 restricted shares have been granted and are outstanding under our Leju Plan. We will recognize a total of \$15.0 million of compensation cost for those options and restricted shares expected to vest over the requisite service period.

Plan Administration. Our board of directors, or a committee designated by our board or directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the provisions and terms and conditions of each option grant.

Award Agreements. Options and other awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant. In addition, the award agreement may also provide that securities granted are subject to a 180-day lock-up period following the effective date of a registration statement filed by us under the Securities Act, if so requested by us or any representative of the underwriters in connection with any registration of the offering of any of our securities. The exercise price of granted options may be amended or adjusted in the absolute discretion of our board of directors, or a committee designated by our board of directors, without the approval of our shareholders or the recipients of the options.

Eligibility. We may grant awards to employees, directors and consultants of our company or any of our related entities, which include our subsidiaries or any entities in which we hold a substantial ownership interest.

Acceleration of Awards upon Corporate Transactions. The outstanding awards will terminate and accelerate upon occurrence of a change-of-control corporate transaction where the successor entity

does not assume our outstanding awards under the plan. In such event, each outstanding award will become fully vested and immediately exercisable, and the transfer restrictions on the awards will be released and the repurchase or forfeiture rights will terminate immediately before the date of the change-of-control transaction provided that the grantee's continuous service with us shall not be terminated before that date.

Term of the Options. The term of each option grant shall be stated in the award agreement, provided that the term shall not exceed ten years from the date of the grant.

Vesting Schedule. In general, our board of directors, or a committee designated by our board of directors, determines, or the award agreement specifies, the vesting schedule.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient other than by will or the laws of succession and incentive share options may be exercised during the lifetime of the optionee only by the optionee.

Termination of the Plan. Unless terminated earlier, the plan will terminate automatically in 2023. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may impair the rights of any award recipient unless agreed by the recipient.

The following table summarizes, the options and restricted shares granted under the plan to our senior executive officers and directors, certain employees of E-House and to other individuals as a group that are outstanding as of the date of this prospectus.

<u>Name</u>	<u>Ordinary Shares Underlying Options/ restricted shares</u>	<u>Exercise Price/Cost (\$/Share)</u>	<u>Date of Grant</u>	<u>Date of Expiration</u>
Xin Zhou	360,000*	4.60	December 1, 2013	N/A
Yinyu He	720,000	4.60	December 1, 2013	November 30, 2023
Li-Lan Cheng	240,000*	4.60	December 1, 2013	N/A
Charles Chao***	360,000	4.60	December 1, 2013	November 30, 2023
Weijie Ma	240,000	4.60	December 1, 2013	November 30, 2023
Keyi Chen	240,000	4.60	December 1, 2013	November 30, 2023
Other individuals as a group	5,012,000**	4.60	December 1, 2013	November 30, 2023 or N/A

Notes

(1) All of our options and restricted shares are subject to a three-year vesting schedule, with one-third of the underlying ordinary shares vesting on each of the first, second and third anniversary of the grant date.

* Represents restricted shares.

** Includes options and restricted shares.

*** Charles Chao has accepted our appointment to be a director of our company, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by each of our directors and executive officers; and each person known to us to own beneficially more than 5% of our ordinary shares.

	Shares Beneficially Owned		Shares Beneficially Owned Immediately After This Offering ⁽¹⁾	
	Prior to This Offering		After This Offering ⁽¹⁾	
	Number ⁽²⁾	% ⁽³⁾	Number	% ⁽³⁾
Directors and Executive Officers:				
Xin Zhou	—	—	—	—
Yinyu He	—	—	—	—
Li-Lan Cheng	—	—	—	—
Charles Chao*	—	—	—	—
Canhao Huang	—	—	—	—
Zhe Wei*	—	—	—	—
Jian Sun*	—	—	—	—
Min Fan*	—	—	—	—
Winston Li*	—	—	—	—
Weijie Ma	—	—	—	—
Keyi Chen	—	—	—	—
Min Chen	—	—	—	—
All Directors and Executive Officers as a Group	—	—	—	—
Principal Shareholders:				
E-House (China) Holdings Limited ⁽⁴⁾	120,000,000	100.0%		

* Messrs. Charles Chao, Zhe Wei, Jian Sun, Winston Li and Min Fan have accepted our appointment to be directors of our company, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

- (1) Assumes that the underwriters do not exercise the over-allotment option.
- (2) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.
- (3) For each person and group included in this table, percentage of beneficial ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the number of ordinary shares outstanding and the number of ordinary shares underlying share options held by such person or group that are exercisable within 60 days after the date of this prospectus. The total number of ordinary shares outstanding as of the date of this prospectus is 120,000,000. The total number of ordinary shares outstanding after the completion of this offering will be _____, assuming the underwriters do not exercise their over-allotment option.
- (4) E-House (China) Holdings Limited is our parent company and is incorporated in the Cayman Islands, and its business address is 11/F, Qiushi Building, No. 383 Guangyan Road, Shanghai 200072, People's Republic of China. E-House (China) Holdings Limited is a reporting company under the Exchange Act and listed on the NYSE.

As of the date of this prospectus, none of our outstanding ordinary shares are held by record holders in the United States. None of our existing shareholders has different voting rights from other shareholders after the completion of this offering. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Transactions and Agreements with E-House

Expenses allocated from E-House for corporate selling, general and administrative services amounted to \$20.2 million, \$21.6 million and \$15.5 million for the years ended December 31, 2011, 2012, and 2013, respectively. The amounts of these expenses were based on a variety of factors and dependent on the nature of the expenses being allocated. These expenses consist primarily of share-based compensation expenses of senior management and shared marketing and management expenses including marketing, finance, legal, technology, human resources, administration and internal audit. These allocations were made using a proportional cost allocation method based on revenues and headcount as well as estimates of actual time spent on the provision of services attributable to us. We believe that these allocations are reasonable. See the notes to our consolidated financial statements included elsewhere in this prospectus.

For the years ended December 31, 2011, 2012, and 2013, we derived revenues in the amount of \$0.6 million, \$1.5 million and \$10,614 from providing online advertising services to E-House. For the years ended December 31, 2011, 2012, and 2013, we recognized expenses for services provided by E-House of \$6.4 million, \$1.8 million and \$0.9 million, respectively.

With respect to our sales of discount coupons for property developments in Beijing, for regulatory reasons the fees for such discount coupons are collected by E-House on our behalf and either remitted to us or used to offset amounts owed by us to E-House. In the past, E-House has not charged any fee or commission for its provision of this service to us.

We plan to enter into various agreements with E-House. See "Our Relationship with E-House" and "Risk Factors—Risks Related to our carve-out from E-House and our relationships with E-House."

Loans Outstanding

As of December 31, 2012 and 2013, we had outstanding loan payables to E-House in the amount of \$86.3 million and \$42.5 million, respectively, which are interest free and settleable on demand. The loans were advanced by E-House primarily for general working capital requirements.

During the years ended December 31, 2011, 2012, and 2013, respectively, E-House loaned \$10.6 million, \$1.5 million and \$1,000, respectively, to us to fund capital injections into our PRC subsidiaries. Such loans were waived by E-House pursuant to a release agreement entered into in January 2014 and have been recorded as capital contributions as of the dates on which such loans were originally made.

For the years ended December 31, 2011, 2012 and 2013 the largest aggregate amount outstanding under loans made to us by E-House was \$72.8 million, \$98.7 million and \$86.3 million, respectively. As of February 26, 2014 the principal amount outstanding under these loans was \$44.3 million.

Transactions and Agreements with SINA

In 2008, SINA reorganized its real estate and home furnishing websites and online real estate advertising business into a separate unit with its own legal entities, management team, advertising operations, systems and physical facilities. Pursuant to the reorganization, SINA and E-House formed a joint venture, China Online Housing, which subsequently became our wholly owned subsidiary in December 2013 as part of a corporate reorganization by E-House. The terms of the joint venture provided China Online Housing with the rights, for an initial term of ten years, to use the E-House real estate information database and operate the SINA real estate and home furnishing websites, including licenses to use SINA's trademark, domain names, website technologies and certain software. In 2009, SINA and China Online Housing entered into an amended and restated advertising inventory

agency agreement, a domain name and content license agreement, a restated trademark license agreement and a software license and support services agreement. In March 2014, we and SINA entered into an advertising inventory agency agreement, an amended and restated domain name and content license agreement, an amended and restated trademark license agreement and an amended and restated software license and support services agreement. The principal effect of the agreements entered into in March 2014 is to extend the term of our agreements with SINA through 2024.

Advertising Inventory Agency Agreement

Under the advertising inventory agency agreement, we have the exclusive right to sell advertising to real estate, home furnishing and construction materials advertisers on all SINA non-real estate websites. We are required to pay SINA fees of approximately 15% of the revenues generated from sales of advertising on SINA non-real estate websites, subject to certain limitations on the amount of advertising that we may sell and fees payable by us to SINA based on the amount of advertising sold. In addition, we authorize SINA as our exclusive agent to sell non-real estate-related advertising on our directly operated websites. We are entitled to receive approximately 85% of the revenues generated from these sales. The initial term of the amended and restated advertising inventory agency agreement is ten years, expiring in 2024.

Domain Name and Content License Agreement

Under the amended and restated domain name and content license agreement, an affiliate of SINA, or licensor, granted to us an exclusive license to use its five domain names, namely, *house.sina.com.cn*, *jiaju.sina.com.cn*, *construction.sina.com.cn*, *dichan.sina.com.cn*, and *esf.sina.com.cn* in connection with our real estate internet operations in China. In addition, the licensor also granted to us an exclusive license to use all contents, whose copyrights are owned by the licensor or owned by a third-party provider but is sub-licensable by the licensor without requiring payment of any additional fees and without violating the terms of any agreement with such third party provider, in connection with websites associated with the domain names licensed to us. For other operating contents, we may enter into an agreement with the owner independently and will be responsible for the costs associated with procuring the contents. The licenses are for an initial term of ten years expiring in 2024.

Amended and Restated Trademark License Agreement

Under the amended and restated trademark license agreement, an affiliate of SINA granted to us a non-exclusive license to use three SINA trademarks and an exclusive license to use four SINA related trademarks in connection with our real estate online operations in China through websites located at *leju.com* and the websites located at *house.sina.com.cn*, *jiaju.sina.com.cn*, *construction.sina.com.cn*, *dichan.sina.com.cn* and *esf.sina.com.cn*. The licenses are for an initial term of ten years expiring in 2024.

Amended and Restated Software License and Support Services Agreement

Under the amended and restated software license and support services agreement, a subsidiary of SINA, or licensor, granted to us a non-exclusive license to use (i) the proprietary software used for, among other things, internet content publishing, advertising publishing, sales management, procurement reimbursement, financial management flow, statistics, monitoring and censoring; (ii) certain current software products and interfaces necessary to facilitate our use of such current software products; (iii) the databases; (iv) certain improvements to the licensed software; and (v) related documentation and hardware, in each case to the extent such items (other than licensor improvements) exist and have been delivered to us under the software license and support service agreement executed in 2009. The licensor also provided to us infrastructure necessary to operate our websites and facilitate our use of the licensed software. In addition, the licensor also provided support services, including routine maintenance, technical support and hardware support. The licenses are for an initial term of ten years

expiring in 2024 and free of any fees (subject to certain exceptions). However, to the extent that there are any reasonable, incremental costs for use of the licensed software or the infrastructure, or provision of the support services, due to a change in the business needs, we are required to reimburse the licensor for all such costs.

Transactions with Certain Related Customers and Suppliers, Shareholders, Directors and Affiliates

Transactions with Related Customers and Suppliers

Transactions with SINA. As of December 31, 2012 and 2013, we had a payable balance of \$2.5 million and \$1.7 million, respectively, to SINA, representing online advertising agency fee payable to SINA. The total cost recognized for the advertising agency fee purchased from SINA was \$3.5 million, \$5.1 million and \$6.0 million for the years ended 2011, 2012 and 2013, respectively. Mr. Charles Chao, SINA's chief executive Officer and chairman of SINA's board, serves as a co-chairman of E-House's board of directors. We also derived revenues in the amount of \$0.2 million, \$1,855 and nil from providing online advertising services to SINA for the years ended December 31, 2011, 2012 and 2013, respectively.

Transactions with Beijing China Real Estate Research Association Technology Ltd., or CRERAT CRERAT is a joint venture joint venture formed by E-House with China Real Estate Research Association and China Real Estate Association. As of December 31, 2012 and 2013, we had a payable balance of \$1.1 million and nil, respectively to CRERAT, representing service purchased from CRERAT. The total expenses recognized for the services purchase from CRERAT were \$0.7 million, \$0.5 million and nil for the year ended December 31, 2011, 2012 and 2013, respectively.

Transactions with Management

See "Management—Compensation of Directors and Executive Officers."

Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (the consolidated VIEs)

PRC laws and regulations currently prohibit foreign investors from holding more than 50% of a foreign-invested telecommunications enterprise that provides commercial internet information services, which are one type of value-added telecommunications services. In addition, PRC laws and regulations currently do not allow foreign entities with less than two years of direct experience operating an advertising business outside of China to invest in an advertising business in China. Because of such restriction, our internet information services and advertising services activities are conducted through consolidated VIEs in China, namely Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, or the consolidated VIEs.

Our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng have entered into contractual arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu and their respective shareholders, respectively. Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng provide technical support to Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, respectively. In addition, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng have entered into contractual arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu and the respective existing shareholders of the applicable consolidated VIE, respectively, which provide Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng with the substantial ability to control, and be the primary beneficiary of, Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu, respectively.

Beijing Leju is 80% owned by Mr. Xudong Zhu, and 20% owned by Mr. Zuyu Ding. Each of Shanghai Yi Xin and Beijing Jiajujiu is 70% owned by Mr. Zuyu Ding and 30% owned by Mr. Weijie Ma. The contractual arrangements entered into by each VIE, its shareholders and the applicable PRC

subsidiary of our Company provide each relevant PRC subsidiary with the ability to control the applicable VIEs and make such PRC subsidiary the primary beneficiary of the applicable VIE. We will operate our internet information services and advertising services businesses through our contractual arrangements with the consolidated VIEs and their respective shareholders.

Agreements that will Provide Effective Control over the consolidated VIEs

Exclusive Call Option Agreement. Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an exclusive call option agreement with our VIE, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an exclusive call option agreement with our VIE, Shanghai Yi Xin, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into an exclusive call option agreement with our VIE, Beijing Jiajujiu, and its shareholders. In each case, under the exclusive call option agreement each shareholder of the applicable VIE has granted an irrevocable and unconditional option to the applicable PRC subsidiary of our Company that will entitle such PRC subsidiary or its designated entity or individual to acquire all or part of the equity interests held by such shareholders in such VIE at its sole discretion, to the extent as permitted by the then-effective PRC laws and regulations. The consideration for such acquisition of all equity interests in the applicable VIE will be equal to the registered capital of such VIE, and if there is any limitation imposed by PRC law that requires the consideration to be greater than the registered capital, the consideration will be the minimum amount as permitted by PRC law. In addition, each such VIE has irrevocably and unconditionally granted the applicable PRC subsidiary of our Company an exclusive option to purchase, to the extent permitted under the PRC law, all or part of the assets of such VIE. The exercise price for purchasing the assets of such VIE will be equal to the book value of such assets unless otherwise required by the PRC law. The call option may be exercised by the applicable PRC subsidiary of our Company or any third party designated by it. Each exclusive call option agreement will terminate after all the equity interests and assets of the applicable VIE subject to the call option under such agreement have been transferred to the applicable PRC subsidiary of our Company or its designated third party pursuant to the terms and conditions of such agreement. Each of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng is entitled to terminate the applicable exclusive call option agreement if any of the applicable consolidated VIE or its shareholders materially breaches the agreement and fails to rectify the breach within a reasonable period or within ten days upon written request from Shanghai SINA Leju, Shanghai Yi Yue or Beijing Maiteng, as applicable. The applicable consolidated VIE and its shareholders are not entitled to terminate the agreement early unless otherwise provided by PRC law.

Loan Agreement. Pursuant to a loan agreement among Shanghai SINA Leju, Mr. Xudong Zhu and Mr. Zuyu Ding, Shanghai SINA Leju granted an interest-free loan of RMB8.0 million to Mr. Xudong Zhu and RMB2.0 million to Mr. Zuyu Ding, respectively, solely for their capital contribution to Beijing Leju. Pursuant to a loan agreement among Shanghai Yi Yue, Mr. Zuyu Ding and Mr. Weijie Ma, Shanghai Yi Yue granted an interest-free loan of RMB10.5 million to Zuyu Ding and RMB4.5 million to Weijie Ma, respectively, solely for their purchase of equity interests in Shanghai Yi Xin. Pursuant to a loan agreement among Beijing Maiteng, Mr. Zuyu Ding and Mr. Weijie Ma, Beijing Maiteng granted an interest-free loan of RMB10.5 million to Zuyu Ding and RMB4.5 million to Weijie Ma, respectively, solely for their capital contribution to Beijing Jiajujiu. Each loan under each loan agreement has a term starting from the date when the applicable lender provides such loan to the applicable borrower and ending on the earliest of (i) the twentieth anniversary of the signing date of such loan agreement; (ii) the expiry date of the applicable lender's business operation term (including any extension of such term); or (iii) the expiry date of the applicable consolidated VIE's business operation term (including any extension of such term). None of the loan agreements includes a provision for early termination by any party.

Shareholder Voting Rights Proxy Agreement. Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into a shareholder voting rights proxy agreement with our VIE, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into a shareholder voting rights proxy agreement with our VIE, Shanghai Yi Xin, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into a shareholder voting rights proxy agreement with our VIE, Beijing Jiajujiu, and its shareholders. Under each shareholder voting rights proxy agreement, the shareholders of each VIE have granted to any person designated by the applicable PRC subsidiary of our Company the power to exercise all voting rights to which such shareholder is then entitled as a shareholder of the applicable VIE. Each shareholder voting rights proxy agreement has a term of twenty years. If the applicable PRC subsidiary requests for extension of the term by written notice to the other parties to such agreement thirty days in advance, the term of such agreement shall automatically extend for one year after the expiry of the original term, and such extension mechanism shall continue to apply to any extended term of such agreement. Each of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng is entitled to terminate the applicable shareholder voting rights proxy agreement if any of the applicable consolidated VIE or its shareholders materially breaches the agreement and fails to rectify the breach within a reasonable period or within ten days upon written request from Shanghai SINA Leju, Shanghai Yi Yue or Beijing Maiteng, as applicable. The applicable consolidated VIE and its shareholders are not entitled to terminate this agreement early unless otherwise provided by PRC law.

Equity Pledge Agreement. Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an equity pledge agreement with our VIE, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an equity pledge agreement with our VIE, Shanghai Yi Xin, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into an equity pledge agreement with our VIE, Beijing Jiajujiu, and its shareholders. Under each such equity pledge agreement, all of the equity interest in the applicable VIE is pledged to the applicable PRC subsidiary of our Company to guarantee the performance of the obligations of such VIE and its shareholders under the relevant exclusive call option agreement, loan agreement, shareholder voting rights proxy agreement and in the case of Beijing Leju, the exclusive technical support agreement. If any of the VIE or their respective shareholders were to breach its or such shareholder's contractual obligations, as the case may be, the applicable PRC subsidiary of our Company, as pledgee, would be entitled to certain rights, including the right to sell the pledged equity interests and to be compensated from the sales proceeds in priority. Furthermore, each shareholder of each VIE has agreed not to transfer, sell, pledge, dispose of or otherwise create any new encumbrance on their equity interest in such VIE without the prior written consent of the applicable PRC subsidiary of our Company. The equity pledge rights of each of our PRC subsidiaries under the equity pledge agreement will expire when the applicable VIE and its shareholders have fully performed their respective obligations under each of the above agreements. None of the equity pledge agreements includes a provision for early termination by any party.

Agreement that Transfers Economic Benefits of the consolidated VIEs to Us

Exclusive Technical Support Agreement. Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an exclusive technical support agreement with our VIE, Beijing Leju. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an exclusive technical support agreement with our VIE, Shanghai Yi Xin. Our PRC subsidiary, Beijing Maiteng, has entered into an exclusive technical support agreement with our VIE, Beijing Jiajujiu. Pursuant to each such exclusive technical support agreement the applicable PRC subsidiary of our Company provides the applicable VIE with a series of technical support services and is entitled to receive related fees. Each exclusive technical support agreement will expire upon dissolution of the applicable VIE. Each of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng is entitled to terminate the applicable exclusive technical support agreement early if (i) the applicable consolidated VIE breaches the agreement, and within 30 days

upon written notice, fails to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate for any losses incurred by the breach; (ii) the applicable consolidated VIE is bankrupt or is subject to any liquidation procedures and such procedures are not revoked within seven days; or (iii) due to any event of force majeure, the applicable consolidated VIE's failure to perform its obligations under the agreement lasts for over 20 days. Except as provided in the preceding sentence, each of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng is entitled to terminate the agreement early at any time by sending a written notice 20 days in advance, for any reason. None of the exclusive technical support agreements includes a provision for early termination by any consolidated VIE. Unless expressly provided by this agreement, without prior written consent of the applicable PRC subsidiary of our Company, the applicable VIE may not engage any third party to provide the services offered by such PRC subsidiary under this agreement.

In the opinion of Fangda Partners, our PRC legal counsel:

- The ownership structures of Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu described above, both currently and after giving effect to this offering, are in compliance with existing PRC laws and regulations; and
- Each of the contractual arrangements described above, in each case governed by PRC law, is valid and binding and enforceable in accordance with their respective terms based on currently effective PRC laws and regulations, and do not violate PRC laws or regulations currently in effect.

However, as advised by Fangda Partners, our PRC legal counsel, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws, rules and regulations, and accordingly, there can be no assurance that the PRC regulatory authorities will not ultimately take a contrary view from that of our PRC legal counsel. We have been further advised by our PRC legal counsel that if the PRC regulatory authorities determine that our contractual arrangements for operating our internet and advertising business in China do not comply with PRC government restrictions on foreign investment in such industries, we could be subject to severe penalties. See "Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our advertising services business and online real estate business in China do not comply with PRC governmental restrictions on foreign investment in the advertising industry or the internet information service industry, we could be subject to severe penalties" and "—Our ability to enforce the equity pledge agreements between us and the shareholders of Beijing Leju, Shanghai Yi Xin or Beijing Jiajujiu may be subject to limitations based on PRC laws and regulations."

Employment Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentive Plan

See "Management—Share Incentive Plan."

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and the Companies Law (2013 Revision) of the Cayman Islands, which is referred to as the Companies Law below.

As of the date hereof, our authorized share capital consists of 500,000,000 ordinary shares with a par value of \$0.001 each, of which 120,000,000 ordinary shares are issued and outstanding. Immediately upon the completion of this offering, our authorized share capital will be increased to 1,000,000,000 shares with a par value of \$0.001 each.

We plan to adopt an amended and restated memorandum and articles of association, which will become effective immediately upon completion of this offering and will replace our existing memorandum and articles of association in their entirety. The following are summaries of material provisions of our post-offering amended and restated memorandum and articles of association and the Companies Law insofar as they relate to the material terms of our ordinary shares.

Ordinary Shares

General

All of our outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Our company will not issue bearer or negotiable shares.

Register of Members

Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e., the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the closing of this offering, the register of members will be immediately updated to record and give effect to the issue of shares by us to the depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members should be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors (provided always that dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business).

Voting Rights

Each shareholder of ordinary share is entitled to one vote on a show of hands or, on a poll, each holder of ordinary shares is entitled to have one vote for each share registered in his name on the register of members, on all matters upon which the ordinary shares are entitled to vote. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one or more shareholders present in person or by proxy entitled to vote and who together hold not less than ten percent of the paid up voting share capital.

Maples and Calder, our counsel as to Cayman Islands law, has advised that such voting structure is in compliance with current Cayman Islands law as in general terms, a company and its shareholders are free to provide in the articles of association for such rights as they consider appropriate, subject to such rights not being contrary to any provision of the Companies Law and not inconsistent with common law.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

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

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are fully paid and free of any lien in favor of us;
- any fee related to the transfer has been paid to us; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

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

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares will be distributed among the holders of the ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. We are a "limited liability" company registered under the Companies Law, and under the Companies Law, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by ordinary resolution of our shareholders, or are otherwise authorized by our memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (i) unless it is fully paid up; (ii) if such redemption or repurchase would result in there being no shares outstanding; or (iii) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares

If at any time, our share capital is divided into different classes or series of shares, all or any of the special rights attached to any class or series of shares may be varied with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class or series. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights will not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu with such existing class of shares.

General Meetings of Shareholders and Shareholder Proposals

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

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors. Advance notice of at least seven calendar days is required for the convening of our annual general shareholders' meeting and any other general meeting

of our shareholders. A quorum required for a general meeting of shareholders consists of shareholders present or by proxy, representing not less than one-third in nominal value of the total issued voting shares in our company.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of the shareholders, in which case our directors are obligated to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Election and Removal of Directors

Unless otherwise determined by our company in general meeting, our articles provide that our board will consist of not less than three directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by ordinary resolution.

Proceedings of Board of Directors

Our post-offering memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors.

Our post-offering memorandum and articles of association provide that the board may from time to time at its discretion exercise all powers of our company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

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

Changes in Capital

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each

reduced share shall be the same as it was in case of the share from which the reduced share is derived; or

- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Exempted Company

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

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

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Upon the closing of this offering, we will be subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this prospectus, we currently intend to comply with the NYSE rules in lieu of following home country practice after the closing of this offering.

Differences in Corporate Law

The Companies Law is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

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

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders or creditors (representing 75% by value) with whom the arrangement is to be made and who must, in addition, represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

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

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to apply and follow the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company to challenge the following:

- an acts which is illegal or ultra vires;
- an act which, although not ultra vires, could only be effected duly if authorized by a special or qualified majority vote that has not been obtained; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering memorandum and articles of association provide that our directors and officers shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director or officer, other than by reason of such person's own dishonesty, willful default or fraud, in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we intend to enter into indemnification agreements with our directors and senior executive officers that will provide such persons with additional indemnification beyond that provided in our post-offering memorandum and articles of association.

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

Anti-Takeover Provisions in the Memorandum and Articles of Association

Some provisions of our post-offering memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

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

Directors' Fiduciary Duties

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

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

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association provides that, on the requisition of shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, the board shall convene an extraordinary general meeting. However, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obligated by law to call shareholders' annual general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Cayman Islands law does not prohibit cumulative voting, but our post-offering memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering memorandum and articles of association, directors may be removed by ordinary resolution of our shareholders.

Transactions with Interested Shareholders

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

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

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up

in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class only with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Law, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our post-offering memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Under our post-offering memorandum and articles of association, our board of directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, qualified or other special rights or restrictions.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

JPMorgan Chase Bank, N.A., as depositary will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in a designated number of shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary and yourself as an ADR holder. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless certificated ADRs are specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary's office is located at 1 Chase Manhattan Plaza, Floor 58, New York, NY, 10005-1401.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders from time to time of ADSs issued under the deposit agreement. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law. Under the deposit agreement, as an ADR holder, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement or transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms a part. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld; (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders; and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis; (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis; (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time; and (4) making any sale by public or private means in any commercially reasonable manner. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.

We have no obligation to file a registration statement under the Securities Act in order to make any rights available to ADR holders.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable; or (ii) to the extent the depositary deems

distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

- *Elective Distributions.* In the case of a dividend payable at the election of our shareholders in cash or in additional shares, we will notify the depositary at least 30 days prior to the proposed distribution stating whether or not we wish such elective distribution to be made available to ADR holders. The depositary shall make such elective distribution available to ADR holders only if (i) we shall have timely requested that the elective distribution is available to ADR holders; (ii) the depositary shall have determined that such distribution is reasonably practicable; and (iii) the depositary shall have received satisfactory documentation within the terms of the deposit agreement including any legal opinions of counsel that the depositary in its reasonable discretion may request. If the above conditions are not satisfied, the depositary shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the shares for which no election is made, either (x) cash or (y) additional ADSs representing such additional shares. If the above conditions are satisfied, the depositary shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional ADSs. There can be no assurance that ADR holders generally, or any ADR holder in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of shares.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it decides that it is unlawful or not reasonably practicable to make a distribution available to any ADR holders.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account of the depositary. ADR holders thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and

cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities."

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depository and any taxes or other fees or charges owing, the depository will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depository's direct registration system, and a registered holder will receive periodic statements from the depository which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depository's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depository's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depository will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depository may deliver deposited securities at such other place as you may request.

The depository may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depository or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Representations and Warranties

When you make a deposit of shares, you will be responsible for transferring good and valid title to the depository. As such, you will be deemed to represent and warrant that:

- such shares and the certificates therefor are duly authorized, validly issued and outstanding, fully paid, nonassessable and legally obtained by you;
- All preemptive (and similar) rights, if any, with respect to such shares have been validly waived or exercised.
- You are duly authorized to deposit the shares.
- the shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim and that such Shares (A) are not "restricted securities" as such term is defined in Rule 144 under the Securities Act of 1933 unless at the time of deposit the requirements of paragraphs (c), (e), (f) and (h) of Rule 144 shall not apply and such shares may be freely transferred and may otherwise be offered and sold freely in the United States or (B) have been registered under the Securities Act of 1933.

To the extent you are an "affiliate" of ours, you will also be representing and warranting that upon the sale of the ADSs, all of the provisions of Rule 144 which enable the shares to be freely sold (in the form of ADSs) will be fully complied with and, as a result thereof, all of the ADSs issued in respect of such shares will not be on the sale thereof, restricted securities (as defined in the Deposit Agreement).

Record Dates

The depositary may, after consultation with us if practicable, fix record dates for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of shares;
- to give instructions for the exercise of voting rights at a meeting of holders of shares;
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR; or
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from us, the depositary will distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct the depositary to exercise the voting rights for the shares which underlie your ADSs, including instructions for giving a discretionary proxy to a person designated by us. For instructions to be valid, the depositary must receive them in the manner and on or before the date specified. The depositary will try, as far as is practical, subject to the provisions of and governing the underlying shares or other deposited securities, to vote or to have its agents vote the shares or other deposited securities as you instruct. The depositary will only vote or attempt to vote as you instruct. Holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. Voting instructions will not be deemed to be received until such time as the ADR department responsible for proxies and voting has received such instructions notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

We have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions (or the deemed voting instructions, as set out above) received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of \$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to \$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to \$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the \$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities

(treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;

- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities;
- in connection with the conversion of foreign currency into U.S. dollars, JPMorgan Chase Bank, N.A. shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan Chase Bank, N.A. and/or its agent may act as principal for such conversion of foreign currency. For further details see www.adr.com.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

Our depositary has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program upon such terms and conditions as we and the depositary may agree from time to time. The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

The fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of the increase in any such fees and charges.

Payment of Taxes

ADR holders must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions; or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. Additionally, if any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including,

without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the holder thereof to the depositary. and by holding or having held an ADR the holder and all prior holders thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect thereof. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

By holding an ADR or an interest therein, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities; (ii) any distributions of shares or other property not made to holders of ADRs; or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- (1) amend the form of ADR;
- (2) distribute additional or amended ADRs;
- (3) distribute cash, securities or other property it has received in connection with such actions;
- (4) sell any securities or property received and distribute the proceeds as cash; or
- (5) none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance

therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation; and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 120th day after our notice of removal was first provided to the depositary. After the date so fixed for termination, (a) all Direct Registration ADRs shall cease to be eligible for the Direct Registration System and shall be considered ADRs issued on the ADR Register; and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (a) instruct its custodian to deliver all shares to us along with a general stock power that refers to the names set forth on the ADR Register; and (b) provide us with a copy of the ADR Register. Upon receipt of such shares and the ADR Register, we have agreed to use our best efforts to issue to each registered holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR Register in such registered holder's name and to deliver such Share certificate to the registered holder at the address set forth on the ADR Register. After providing such instruction to the custodian and delivering a copy of the ADR Register to us, the depositary and its agents will perform no further acts under the Deposit Agreement and the ADRs and shall cease to have any obligations under the Deposit Agreement and/or the ADRs.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge; (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register; and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature; and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depository; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depository or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends; (ii) the payment of fees, taxes, and similar charges; and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depository, ourselves and our respective agents, provided, however, that no such disclaimer of liability under the Securities Act of 1933 is intended by any of the limitations of liabilities provisions of the deposit agreement. In the deposit agreement it provides that neither we nor the depository nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, the People's Republic of China or any other country, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization or other circumstance beyond our, the depository's or our respective agents' control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depository or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the deposit agreement or the ADR including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or
- it relies upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depository nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depository and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depository shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depository shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs,

the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that the custodian (i) committed fraud or willful misconduct in the provision of custodial services to the depositary; or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or other holders of an interest in any ADSs about the requirements of Cayman Islands or People's Republic of China law, rules or regulations or any changes therein or thereto.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without negligence while it acted as depositary. Neither the depositary nor any of its agents shall be liable to registered holders of ADRs or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depositary and its agents may own and deal in any class of our securities and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with you directly as a holder of shares and, by holding an ADS or an interest therein, you will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Pre-release of ADSs

In its capacity as depositary, the depositary shall not lend shares or ADSs; provided, however, that the depositary may (i) issue ADSs prior to the receipt of shares and (ii) deliver shares prior to the receipt of ADSs for withdrawal of deposited securities, including ADSs which were issued under (i) above but for which shares may not have been received (each such transaction a "pre-release"). The depositary may receive ADSs in lieu of shares under (i) above (which ADSs will promptly be canceled by the depositary upon receipt by the depositary) and receive shares in lieu of ADSs under (ii) above. Each such pre-release will be subject to a written agreement whereby the person or entity (the "applicant") to whom ADSs or shares are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the shares or ADSs that are to be delivered by the applicant under such pre-release; (b) agrees to indicate the depositary as owner of such shares or ADSs in its records and to hold such shares or ADSs in trust for the depositary until such shares or ADSs are delivered to the depositary or the custodian; (c) unconditionally guarantees to deliver to the depositary or the custodian, as applicable, such shares or ADSs; and (d) agrees to any additional restrictions or requirements that the depositary deems appropriate. Each such pre-release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the depositary deems appropriate, terminable by the depositary on not more than five (5) business days notice and subject to such further indemnities and credit regulations as the depositary deems appropriate. The depositary will normally limit the number of ADSs and shares involved in such pre-release at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to ADSs outstanding under (i) above), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The depositary may also set limits with respect to the number of ADSs and shares involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided in connection with pre-release transactions, but not the earnings thereon, shall be held for the benefit of the ADR holders (other than the applicant).

Appointment

In the deposit agreement, each registered holder of ADRs and each person holding an interest in ADSs, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depository its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depository in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Governing Law

The deposit agreement and the ADRs shall be governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Notwithstanding the foregoing, (i) any action based on the deposit agreement or the transactions contemplated thereby may be instituted by the depository and holders in any competent court in the Cayman Islands, Hong Kong, the People's Republic of China and/or the United States; (ii) the depository may, in its sole discretion, elect to institute any action, controversy, claim or dispute directly or indirectly based on, arising out of or relating to the deposit agreement or the ADRs or the transactions contemplated thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration conducted under the terms described below; and (iii) the depository may in its sole discretion require that any action, controversy, claim, dispute, legal suit or proceeding brought against the depository by any party or parties to the deposit agreement (including, without limitation, by ADR holders and owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted under the terms described below. Any such arbitration shall be conducted in the English language either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

By holding an ADS or an interest therein, registered holders of ADRs and owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depository, arising out of or based upon the deposit agreement or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have _____ ADSs outstanding, representing approximately _____ % of our outstanding ordinary shares. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the NYSE, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

We have agreed, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the representative of the underwriters.

Furthermore, each of our directors, executive officers and existing shareholders has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any. These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See "Underwriting."

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without

restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal ordinary shares, assuming the underwriters do not exercise their over-allotment option; or
- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

People's Republic of China Taxation

Under the EIT Law, and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a resident enterprise. The implementation rules of the EIT Law define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that Leju Holdings Limited is not a PRC resident enterprise for PRC tax purposes. Leju Holdings Limited is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Leju Holdings Limited meets condition (iii) above as the accounting books and records, company seals, and board and shareholder resolutions of Leju Holdings Limited are located and maintained outside the PRC. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

If the PRC tax authorities determine that Leju Holdings Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In

addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Leju Holdings Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Leju Holdings Limited is treated as a PRC resident enterprise.

In January 2009, the State Administration of Taxation promulgated the Provisional Measures for the Administration of Withholding of Enterprise Income Tax for Non-resident Enterprises, pursuant to which the entities that have the direct obligation to make certain payments to a non-PRC resident enterprise should be the relevant tax withholders for the non-PRC resident enterprise, and such payments include: income from equity investments (including dividends and other return on investment), interest, rents, royalties and income from assignment of property as well as other incomes subject to enterprise income tax received by non-PRC resident enterprises in China. Further, the measures provide that in case of an equity transfer between two non-PRC resident enterprises which occurs outside China, the non-PRC resident enterprise which receives the equity transfer payment must, by itself or engage an agent to, file tax declaration with the PRC tax authority located at place of the PRC company whose equity has been transferred, and the PRC company whose equity has been transferred should assist the tax authorities to collect taxes from the relevant non-PRC resident enterprise. The State Administration of Taxation issued an SAT Circular 59 together with the Ministry of Finance in April 2009 and a SAT Circular 698 in December 2009. By promulgating and implementing these two circulars, the PRC tax authorities have enhanced their scrutiny over the direct or indirect transfer of equity interests in a PRC resident enterprise by a non-PRC resident enterprise. Under SAT Circular 698, where a non-PRC resident enterprise transfers the equity interests of a PRC "resident enterprise" indirectly by disposition of the equity interests of an overseas holding company, and the overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-PRC resident enterprise, being the transferor, must report to the relevant tax authority of the PRC "resident enterprise" the indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC withholding tax at a rate of up to 10%. SAT Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC "resident enterprise" to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction. In addition, the PRC "resident enterprise" should provide necessary assistance to support the enforcement of SAT Circular 698. Although it appears that SAT Circular 698 was not intended to apply to share transfers of publicly traded companies, there is uncertainty as to the application of SAT Circular 698 and we and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Circular 698 and we may be required to expend valuable resources to comply with SAT Circular 698 or to establish that we should not be taxed under SAT Circular 698.

United States Federal Income Tax Considerations

The following discussion is a summary of United States federal income tax considerations relating to the acquisition, ownership, and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that acquires our ADSs in this offering and holds our ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue

Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), holders who are not U.S. holders, holders who own (directly, indirectly, or constructively) 10% or more of our voting stock, holders who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation, investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or investors that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, except to the extent described below, this discussion does not address any non-United States, alternative minimum tax, state, or local tax considerations, or the Medicare tax. Each U.S. holder is urged to consult its tax advisors regarding the U.S. federal, state, local, and non-U.S. income and other tax considerations of an investment in our ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. holder" is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust; or (B) that has otherwise elected to be treated as a United States person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax. The United States Treasury has expressed concerns that parties to whom American depositary shares are released before shares are delivered to the depository (a "pre-release transaction"), or intermediaries in the chain of ownership between holders of American depositary shares and the issuer of the security underlying the American depositary shares, may be taking actions that are inconsistent with the claiming of foreign tax credits by holders of ADSs. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of any PRC taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. holders, each described below,

could be affected by actions taken by such parties or intermediaries in respect of a pre-release transaction.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be classified as a "passive foreign investment company," or "PFIC," for U.S. federal income tax purposes, if, in the case of any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of its average quarterly assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as a passive asset and the company's goodwill and other unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat our consolidated affiliated entities as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements. Assuming that we are the owner of our consolidated affiliated entities for U.S. federal income tax purposes, and based upon our current income and assets (taking into account the proceeds from this offering) and projections as to the value of our ADSs and ordinary shares following the offering, we do not presently expect to be classified as a PFIC for the current taxable year or the foreseeable future.

While we do not expect to become a PFIC in the current or future taxable years, the determination of whether we will be or become a PFIC will depend in part upon the composition of our income and assets and the value of our assets from time to time, including, in particular the value of our goodwill and other unbooked intangibles (which may depend upon the market value of our ADSs or ordinary shares from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization following the close of this offering. Among other matters, if market capitalization is less than anticipated or subsequently declines, we may be classified as a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being, or becoming classified as, a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC may also depend, in part, on the composition of our income and assets, which will be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where we determine not to deploy significant amounts of cash for active purposes or not to treat our consolidated affiliated entities as owned by us for United States federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. Our special United States counsel expresses no opinion with respect to our PFIC status and also expresses no opinion with respect to our expectations regarding our PFIC status. If we were classified as a PFIC for any year during which a U.S. holder held our ADSs or ordinary shares, we generally would continue to be treated as a PFIC for all succeeding years during which such U.S. holder held our ADSs or ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Ordinary Shares" is written on the basis that we will not be classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are classified as a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under "Passive Foreign Investment Company Rules."

Dividends

Subject to the PFIC rules discussed below, any cash distributions (including the amount of any tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution paid will generally be reported as a "dividend" for U.S. federal income tax purposes. A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a "qualified foreign corporation" at a reduced U.S. federal tax rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period requirements are met.

A non-U.S. corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) will generally be considered to be a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program; or (ii) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States. Under current IRS guidance, our ADSs will be considered readily tradable on the NYSE, which is an established securities market in the United States, for as long as the ADSs continue to be listed on such exchange. Thus, we believe that dividends we pay on our ADSs will meet the conditions required for the reduced tax rate. Since we do not expect that our ordinary shares will be listed on established securities markets, it is unclear whether dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years.

In the event that we are deemed to be a PRC "resident enterprise" and are liable to pay tax under the EIT Law, we should be eligible for the benefits of the United States-PRC income tax treaty, which the Secretary of Treasury of the United States has determined is satisfactory for purposes of clause (i) above and which includes an exchange of information provision. If we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by the ADSs, would generally be eligible for the reduced rate of taxation applicable to qualified dividend income whether or not such shares are readily tradable on an established securities market in the United States. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations. Each U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. In the event that we are deemed to be a PRC "resident enterprise" under the EIT Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. A U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes,

in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. Each U.S. holder is advised to consult its tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be United States source gain or loss for U.S. foreign tax credit purposes. The deductibility of a capital loss may be subject to limitations. In the event that we are treated as a PRC "resident enterprise" under the EIT Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC, a U.S. holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. Each U.S. holder is advised to consult its tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the ADSs or ordinary shares); and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the ADSs or ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are classified as a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to the U.S. holder for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non-United States subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. Each U.S. holder is advised to consult its tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded on the NYSE. If a mark-to-market election is made, the U.S. holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs

held at the end of the taxable year over the adjusted tax basis of such ADSs; and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. holder makes an effective mark-to-market election, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

If a U.S. holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not classified as a PFIC.

Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs may continue to be subject to the general PFIC rules with respect to such U.S. holder's indirect interest in any of our non-United States subsidiaries that is classified as a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

As discussed above under "Dividends," dividends that we pay on our ADSs or ordinary shares will not be eligible for the reduced tax rate that applies to qualified dividend income if we are classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year. In addition, if a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder is required to file an annual report containing such information as the United States Treasury Department may require and may be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

Information Reporting

Certain U.S. holders are required to report information to the IRS relating to an interest in "specified foreign financial assets," including shares issued by a non-U.S. corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds \$50,000 (or a higher dollar amount prescribed by the IRS), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a U.S. financial institution). These rules also impose penalties if a U.S. holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. holders may be subject to information reporting to the IRS with respect to dividends on and proceeds from the sale or other disposition of our ADSs or ordinary shares. Each U.S. holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, we and the selling shareholder have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC is acting as the representative, the following respective numbers of ADSs:

<u>Underwriter</u>	<u>Number of ADSs</u>
Credit Suisse Securities (USA) LLC	
J.P.Morgan Securities LLC	
China Renaissance Securities (Hong Kong) Limited	
Total	

The underwriting agreement provides that the underwriters are severally obligated to purchase all the ADSs in the offering if any are purchased, other than those ADSs covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

Some of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers and sales in the United States will be conducted by broker-dealers registered with the SEC.

We and the selling shareholder have granted to the underwriters a 30-day option to purchase up to _____ additional ADSs from us and _____ additional ADSs from the selling shareholder, at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of ADSs.

The underwriters propose to offer the ADSs initially at the public offering price set forth on the cover page of this prospectus and part of the ADSs to certain dealers at a price that represent a concession not in excess of \$ _____ per ADS under the public offering price. After the initial public offering the underwriters may change the offering price and concession and other selling terms.

China Renaissance Securities (Hong Kong) Limited is not a broker-dealer registered with the U.S. Securities and Exchange Commission and therefore may not make sales of any of our ADSs in the United States or to U.S. persons. China Renaissance Securities (Hong Kong) Limited has agreed that it does not intend to and will not offer or sell any of our ADSs in the United States or to U.S. persons in connection with this offering.

The following table shows the per ADS and total underwriting discounts and commissions we and the selling shareholder will pay to the underwriters, assuming no exercise and full exercise of the underwriters' over-allotment option described above:

	<u>Per ADS</u>		<u>Total</u>	
	<u>Without Over- allotment</u>	<u>With Over- allotment</u>	<u>Without Over- allotment</u>	<u>With Over- allotment</u>
Underwriting discounts and commissions payable by us	\$	\$	\$	\$
Expenses payable by us	\$	\$	\$	\$
Underwriting discounts and commissions paid by the selling shareholder	\$	\$	\$	\$
Expenses payable by the selling shareholder	\$	\$	\$	\$

The underwriters have informed us that they do not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the ADSs being offered.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any ordinary shares and ADSs or securities convertible into or exchangeable or exercisable for any ordinary shares or ADSs, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus, except for (i) issuances pursuant to the exercise of employee stock options outstanding on the date hereof; (ii) issuances to employees, director or officers under any employee benefit plan existing on the date hereof and the issuance of ordinary shares upon exercise of options or vesting of restricted shares that have been previously granted and are outstanding on the date hereof; or (iii) the filing of a registration statement on Form S-8 in connection with the registration of ordinary shares issuable under our existing share incentive plan.

Our executive officers, directors and E-House have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any ordinary shares, ADSs or securities convertible into or exchangeable or exercisable for any ordinary shares or ADSs, establish or increase a put equivalent position or liquidate or decrease a call equivalent position in any ordinary shares or ADSs, enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our ordinary shares or ADSs or securities convertible into or exchangeable or exercisable for any ordinary shares or ADSs, or enter into a transaction that would have the same effect, whether any of these transactions are to be settled by delivery of our ordinary shares or ADSs or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, to establish, increase, liquidate or decrease any such position, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. The representative may release securities subject to the lock-ups at any time without public announcement.

We and E-House have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

We will apply to list the ADSs on the NYSE under the symbol "LEJU."

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the ADSs so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of ADSs in excess of the number of ADSs the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of ADSs over-allotted by the underwriters is not greater than the number of ADSs that they may purchase in the over-allotment option. In a naked short position, the number of ADSs involved is greater than the number of ADSs in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing ADSs in the open market.
- Syndicate covering transactions involve purchases of the ADSs in the open market after the distribution has been completed to cover syndicate short positions. In determining the source of ADSs to close out the short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the over-allotment option. If the underwriters sell more ADSs than could be covered by the over-allotment option, a naked short position, the position can only be

closed out by buying ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the ADSs originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of the ADSs. As a result the price of our ADSs may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to _____ percent of the ADSs offered by this prospectus for sale to some of our directors, officers, employees, distributors, dealers, business associates and related persons. If these persons purchase reserved ADSs, it will reduce the number of ADSs available for sale to the general public. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs offered by this prospectus.

Prior to this offering, there was no public market for our ordinary shares or ADSs. The initial public offering price of the ADSs was determined by negotiations between us, the selling shareholder and the representative of the underwriters. Among the factors considered in determining the initial public offering price of the ADSs were our results of operations, our current financial condition, our future prospects, our markets, the economic conditions in and future prospects for the industry in which we compete, our management, and currently prevailing general conditions in the equity securities markets, including current market valuations of publicly traded companies considered comparable to our company. Neither we nor the underwriters can assure investors that an active trading market will develop for our ADSs, or that ADSs will trade in the public market at or above the initial public offering price.

A prospectus in electronic format will be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representative may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

In the ordinary course of their respective businesses, the underwriters and their affiliates have provided and may in the future provide investment banking, commercial banking, investment management, or other financial services to us and our affiliates for which they have received compensation and may receive compensation in the future.

The address of Credit Suisse Securities (USA) LLC is Eleven Madison Avenue, New York, NY 10010. The address of J.P.Morgan Securities LLC is 383 Madison Avenue, New York, New York 10179. The address of China Renaissance Securities (Hong Kong) Limited is Unit 901, Agricultural Bank of China Tower, 50 Connaught Road Central, Central, Hong Kong.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any

other material relating to us or the ADSs, where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Australia. This prospectus is not a product disclosure statement, prospectus or other type of disclosure document for the purposes of Corporations Act 2001 (Commonwealth of Australia), or the Act, and does not purport to include the information required of a product disclosure statement, prospectus or other disclosure document under Chapter 6D.2 of the Act. No product disclosure statement, prospectus, disclosure document, offering material or advertisement in relation to the offer of the ADSs has been or will be lodged with the Australian Securities and Investments Commission or the Australian Securities Exchange.

Accordingly, (i) the offer of the ADSs under this prospectus may only be made to persons: (a) to whom it is lawful to offer the ADSs without disclosure to investors under Chapter 6D.2 of the Act under one or more exemptions set out in Section 708 of the Act; and (b) who are "wholesale clients" as that term is defined in section 761G of the Act; (ii) this prospectus may only be made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above, and the offeree agrees not to sell or offer for sale any of the ADSs sold to the offeree within twelve months after their issue except as otherwise permitted under the Act.

Canada. The ADSs may not be offered, sold or distributed, directly or indirectly, in any province or territory of Canada other than the provinces of Ontario and Quebec or to or for the benefit of any resident of any province or territory of Canada other than the provinces of Ontario and Quebec, and only on a basis that is pursuant to an exemption from the requirement to file a prospectus in such province, and only through a dealer duly registered under the applicable securities laws of such province or in accordance with an exemption from the applicable registered dealer requirements.

Cayman Islands. This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. Each underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any ADSs or ordinary shares to any member of the public in the Cayman Islands.

European Economic Area. In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive, or a Relevant Member State, from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of the ADSs to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and the competent authority in that Relevant Member State has been notified, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the ADS to the public in that Relevant Member State at any time,

- to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances that do not require the publication by the company of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of ADSs shall result in a requirement for the publication by the company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of the above provision, the expression "an offer of ADSs to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong. The ADSs may not be offered or sold by means of this document or any other document other than (i) in circumstances that do not constitute an offer or invitation to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) or the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong); (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder; or (iii) in other circumstances that do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Israel. In the State of Israel, the ADSs offered hereby may not be offered to any person or entity other than the following:

- a fund for joint investments in trust (i.e., mutual fund), as such term is defined in the Law for Joint Investments in Trust, 5754-1994, or a management company of such a fund;
- a provident fund as defined in Section 47(a)(2) of the Income Tax Ordinance of the State of Israel, or a management company of such a fund;
- an insurer, as defined in the Law for Oversight of Insurance Transactions, 5741-1981, a banking entity or satellite entity, as such terms are defined in the Banking Law (Licensing), 5741-1981, other than a joint services company, acting for their own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- a company that is licensed as a portfolio manager, as such term is defined in Section 8(b) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- a company that is licensed as an investment advisor, as such term is defined in Section 7(c) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account;

- a company that is a member of the Tel Aviv Stock Exchange, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- an underwriter fulfilling the conditions of Section 56(c) of the Securities Law, 5728-1968;
- a venture capital fund (defined as an entity primarily involved in investments in companies which, at the time of investment, (i) are primarily engaged in research and development or manufacture of new technological products or processes; and (ii) involve above-average risk);
- an entity primarily engaged in capital markets activities in which all of the equity owners meet one or more of the above criteria; and
- an entity, other than an entity formed for the purpose of purchasing the ADSs in this offering, in which the shareholders equity (including pursuant to foreign accounting rules, international accounting regulations and U.S. generally accepted accounting rules, as defined in the Securities Law Regulations (Preparation of Annual Financial Statements), 1993) is in excess of NIS 250 million.

Japan. The underwriters will not offer or sell any of the ADSs directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except, in each case, pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

People's Republic of China. This prospectus may not be circulated or distributed in the PRC and the ADSs may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Singapore. This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA; (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 by a relevant person that is:

- a corporation (that is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the ADSs under Section 275 except:

- to an institutional investor (for corporations, under 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.

Taiwan. The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

Switzerland. The ADSs will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to our company or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the ADSs.

United Arab Emirates and Dubai International Financial Centre. This offering of the ADSs has not been approved or licensed by the Central Bank of the United Arab Emirates, or the UAE, the Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE, including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority, or the DFSA, a regulatory authority of the Dubai International Financial Centre, or the DIFC. This offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, respectively, or otherwise.

The ADSs may not be offered to the public in the UAE and/or any of the free zones. The ADSs may be offered and this prospectus may be issued, only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. The ADSs will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones.

United Kingdom. An offer of the ADSs may not be made to the public in the United Kingdom within the meaning of Section 102B of the Financial Services and Markets Act 2000, as amended, or the FSMA, except to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances that do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority, or the FSA.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) may only be communicated to persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 or in circumstances in which Section 21 of FSMA does not apply to the company.

All applicable provisions of the FSMA with respect to anything done by the underwriters in relation to the ADSs must be complied with in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discount, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the NYSE market entry and listing fee, all amounts are estimates.

SEC Registration Fee	\$
FINRA Fee	
NYSE Market Entry and Listing Fee	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	\$

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by O'Melveny & Myers LLP. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder. Legal matters as to PRC law will be passed upon for us by Fangda Partners and for the underwriters by Haiwen & Partners. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder with respect to matters governed by Cayman Islands law and Fangda Partners with respect to matters governed by PRC law. O'Melveny & Myers LLP may rely upon Haiwen & Partners with respect to matters governed by PRC law.

EXPERTS

Our consolidated financial statements included in this prospectus have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The registered business address of Deloitte Touche Tohmatsu Certified Public Accountants LLP is 30/F Bund Center, 222 Yan An Road East, Shanghai, People's Republic of China.

The statements in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus, to the extent they relate to the determination of fair value of our options and the ordinary shares underlying the options, have been reviewed and confirmed by Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent appraiser. Such statements relating to Jones Lang LaSalle Corporate Appraisal And Advisory Limited's appraisal approach, assumptions and appraisal value are included with their consent in reliance upon the authority of such firm as an expert in valuation. The office of Jones Lang LaSalle Corporate Appraisal And Advisory Limited is located at 6/F Three Pacific Place, 1 Queen's Road East, Admiralty, Hong Kong.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

LEJU HOLDINGS LIMITED
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2012 and 2013	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2011, 2012 and 2013	F-4
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2011, 2012 and 2013	F-5
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2011, 2012 and 2013	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2011, 2012 and 2013	F-7
Notes to Consolidated Financial Statements for the Years Ended December 31, 2011, 2012 and 2013	F-8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Leju Holdings Limited

We have audited the accompanying consolidated balance sheets of Leju Holdings Limited and its subsidiaries (the "Group") as of December 31, 2012 and 2013, and the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements were prepared to present the assets and liabilities and related results of operations and cash flows of Leju Holdings Limited and its subsidiaries, one operating segment of E-House (China) Holdings Limited. These consolidated financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations and cash flows if Leju Holdings Limited and its subsidiaries had operated as a stand-alone group during the periods presented.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai China

February 26, 2014 (March 12, 2014 as to the subsequent events described in Note 15)

LEJU HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS
(In U.S. dollar except for share data)

	December 31,	
	2012	2013
	\$	\$
ASSETS		
Current assets:		
Cash and cash equivalents	71,090,266	98,729,639
Accounts receivable, net of allowance for doubtful accounts of \$7,393,312 and \$9,353,689 as of December 31, 2012 and 2013, respectively	86,651,598	87,315,892
Deferred tax assets	17,317,179	27,714,132
Prepaid expenses and other current assets	3,908,863	5,556,281
Amounts due from related parties	—	3,471,958
Total current assets	178,967,906	222,787,902
Property and equipment, net	8,686,253	7,027,702
Intangible assets, net	163,204,467	128,530,140
Investment in affiliates	73,552	251,606
Goodwill	40,215,987	40,610,620
Other non-current assets	2,719,124	3,730,275
TOTAL ASSETS	393,867,289	402,938,245
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable (including accounts payable of the consolidated VIEs without recourse to Leju of \$1,718,237 and \$1,422,956 as of December 31, 2012 and 2013, respectively)	1,718,237	1,422,956
Accrued payroll and welfare expenses (including accrued payroll and welfare expenses of the consolidated VIEs without recourse to Leju of \$18,699,376 and \$28,576,202 as of December 31, 2012 and 2013, respectively)	19,891,530	30,504,223
Income tax payable (including income tax payable of the consolidated VIEs without recourse to Leju of \$15,745,166 and \$27,921,574 as of December 31, 2012 and 2013, respectively)	18,472,850	41,436,898
Other tax payable (including other tax payable of the consolidated VIEs without recourse to Leju of \$8,681,802 and \$11,024,857 as of December 31, 2012 and 2013, respectively)	10,022,125	18,513,869
Amounts due to related parties (including amounts due to related parties of the consolidated VIEs without recourse to Leju of \$77,698,115 and \$47,023,449 as of December 31, 2012 and 2013, respectively)	83,142,856	4,501,371
Advance from customers and deferred revenue (including advance from customers and deferred revenue of the consolidated VIEs without recourse to Leju of \$2,818,277 and \$7,112,620 as of December 31, 2012 and 2013, respectively)	3,346,071	7,162,807
Liability for exclusive rights, current (including liability for exclusive rights, current of the consolidated VIEs without recourse to Leju of \$16,973,230 and \$8,967,972 as of December 31, 2012 and 2013, respectively)	16,973,230	8,967,972
Other current liabilities (including other current liabilities of the consolidated VIEs without recourse to Leju of \$5,985,768 and \$7,537,471 as of December 31, 2012 and 2013, respectively)	6,093,888	11,074,223
Total current liabilities	159,660,787	123,584,319
Deferred tax liabilities (including deferred tax liabilities, non-current of the consolidated VIEs without recourse to Leju of \$928,945 and \$655,563 as of December 31, 2012 and 2013, respectively)	35,008,584	27,563,891
Liability for exclusive rights, non-current (including liability for exclusive rights, non-current of the consolidated VIEs without recourse to Leju of \$5,918,812 and nil as of December 31, 2012 and 2013, respectively)	5,918,812	—
Total liabilities	200,588,183	151,148,210
Commitments and contingencies (Note 14)		
Equity:		
Ordinary shares (\$0.001 par value): 500,000,000 shares authorized, 120,000,000 shares issued and outstanding, as of December 31, 2012 and 2013, respectively	120,000	120,000
Additional paid-in capital	672,821,496	686,378,493
Accumulated deficit	(485,712,966)	(443,294,132)
Subscription receivable	(120,000)	(120,000)
Accumulated other comprehensive income	3,064,865	5,621,576
Total Leju equity	190,173,395	248,705,937
Non-controlling interest	3,105,711	3,084,098
Total equity	193,279,106	251,790,035
TOTAL LIABILITIES AND EQUITY	393,867,289	402,938,245

The accompanying notes are an integral part of these consolidated financial statements.

LEJU HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

(In U.S. dollar except for share data)

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Revenues			
E-commerce	—	26,995,814	170,204,545
Online advertising	132,076,188	138,767,288	145,444,790
Listing	5,014,575	5,532,864	19,772,181
Total revenues	137,090,763	171,295,966	335,421,516
Cost of revenues	(37,583,296)	(54,117,692)	(63,990,693)
Selling, general and administrative expenses	(121,609,646)	(163,534,947)	(226,142,936)
Goodwill impairment charge	(417,822,304)	—	—
Other operating income	13,937	153,340	599,894
Income (loss) from operations	(439,910,546)	(46,203,333)	45,887,781
Interest income	675,759	257,204	1,082,287
Other loss, net	(1,025,801)	(1,979,450)	(1,185,121)
Income (loss) before taxes and equity in affiliates	(440,260,588)	(47,925,579)	45,784,947
Income tax benefit (expense)	2,010,487	4,076,928	(3,065,725)
Income (loss) before equity in affiliates	(438,250,101)	(43,848,651)	42,719,222
Loss from equity in affiliates	(1,594)	(508)	(69,194)
Net income (loss)	(438,251,695)	(43,849,159)	42,650,028
Less: Net income attributable to non-controlling interest	579,716	910,177	125,066
Net income (loss) attributable to Leju shareholders	<u>(438,831,411)</u>	<u>(44,759,336)</u>	<u>42,524,962</u>
Earnings (loss) per share:			
Basic	\$ (3.66)	\$ (0.37)	\$ 0.35
Diluted	\$ (3.66)	\$ (0.37)	\$ 0.35
Weighted average numbers of shares used in computation:			
Basic	120,000,000	120,000,000	120,000,000
Diluted	120,000,000	120,000,000	120,000,000

The accompanying notes are an integral part of these consolidated financial statements.

LEJU HOLDINGS LIMITED
CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In U.S. dollar)

	<u>Year Ended December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net income (loss)	(438,251,695)	(43,849,159)	42,650,028
Other comprehensive income, net of tax:			
Foreign currency translation adjustment	2,310,860	178,392	2,712,069
Comprehensive income (loss)	(435,940,835)	(43,670,767)	45,362,097
Less: Comprehensive income attributable to non-controlling interests	636,541	915,322	280,424
Comprehensive income (loss) attributable to Leju shareholders	<u>(436,577,376)</u>	<u>(44,586,089)</u>	<u>45,081,673</u>

The accompanying notes are an integral part of these consolidated financial statements.

LEJU HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In U.S. dollar)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Subscription Receivable	Total Leju Equity	Non- controlling Interest	Total Equity
	Number	\$							
Balance at January 1, 2011	120,000,000	120,000	617,833,705	(2,122,219)	637,583	(120,000)	616,349,069	676,428	617,025,497
Net income (loss)	—	—	—	(438,831,411)	—	—	(438,831,411)	579,716	(438,251,695)
Dividend to non-controlling interest	—	—	—	—	—	—	—	(27,931)	(27,931)
Capital contribution and non-controlling interest recognized in connection with business acquisition	—	—	3,725,761	—	—	—	3,725,761	740,874	4,466,635
Share-based compensation	—	—	182,918	—	—	—	182,918	—	182,918
Changes in equity ownership on partial disposal of subsidiary	—	—	273	—	—	—	273	227	500
Cash contribution from E-House	—	—	10,649,904	—	—	—	10,649,904	—	10,649,904
Contribution from E-House	—	—	20,178,276	—	—	—	20,178,276	—	20,178,276
Deemed distribution to E-House associated with tax liability	—	—	(1,704,836)	—	—	—	(1,704,836)	—	(1,704,836)
Foreign currency translation adjustments	—	—	—	—	2,254,035	—	2,254,035	56,825	2,310,860
Balance at December 31, 2011	120,000,000	120,000	650,866,001	(440,953,630)	2,891,618	(120,000)	212,803,989	2,026,139	214,830,128
Net income (loss)	—	—	—	(44,759,336)	—	—	(44,759,336)	910,177	(43,849,159)
Capital contribution by non-controlling interest	—	—	—	—	—	—	—	252,120	252,120
Dividend to non-controlling interest	—	—	—	—	—	—	—	(8,723)	(8,723)
Share-based compensation	—	—	563,109	—	—	—	563,109	—	563,109
Changes in equity ownership on partial disposal of subsidiary	—	—	79,147	—	—	—	79,147	(79,147)	—
Cash contribution from E-House	—	—	1,500,000	—	—	—	1,500,000	—	1,500,000
Contribution from E-House	—	—	21,560,829	—	—	—	21,560,829	—	21,560,829
Deemed distribution to E-House associated with tax liability	—	—	(1,747,590)	—	—	—	(1,747,590)	—	(1,747,590)
Foreign currency translation adjustments	—	—	—	—	173,247	—	173,247	5,145	178,392
Balance at December 31, 2012	120,000,000	120,000	672,821,496	(485,712,966)	3,064,865	(120,000)	190,173,395	3,105,711	193,279,106
Net income (loss)	—	—	—	42,524,962	—	—	42,524,962	125,066	42,650,028
Capital contribution in connection with business acquisition	—	—	(6,459)	—	—	—	(6,459)	—	(6,459)
Capital contribution by non-controlling interest	—	—	—	—	—	—	—	36,904	36,904
Dividend to non-controlling interest	—	—	—	—	—	—	—	(338,941)	(338,941)
Share-based compensation	—	—	416,632	(106,128)	—	—	310,504	—	310,504
Cash contribution from E-House	—	—	1,000	—	—	—	1,000	—	1,000
Contribution from E-House	—	—	15,527,623	—	—	—	15,527,623	—	15,527,623
Deemed	—	—	(2,381,799)	—	—	—	(2,381,799)	—	(2,381,799)

distribution to E-House associated with tax liability										
Foreign currency translation adjustments	—	—	—	—	2,556,711	—	2,556,711	155,358	2,712,069	
Balance at December 31, 2013	<u>120,000,000</u>	<u>120,000</u>	<u>686,378,493</u>	<u>(443,294,132)</u>	<u>5,621,576</u>	<u>(120,000)</u>	<u>248,705,937</u>	<u>3,084,098</u>	<u>251,790,035</u>	

The accompanying notes are an integral part of these consolidated financial statements.

LEJU HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In U.S. dollar)

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Operating activities:			
Net income (loss)	(438,251,695)	(43,849,159)	42,650,028
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	29,178,629	39,789,976	38,342,931
Loss from equity in affiliates	1,594	508	69,194
Allowance for doubtful accounts	1,237,266	7,437,323	6,373,132
Share-based compensation	182,918	563,109	310,504
Amortization of discounts related to liability for exclusive rights	891,441	1,882,804	935,177
Valuation allowance for deferred tax assets	—	830,348	194,892
Goodwill impairment charge	417,822,304	—	—
Others	174,596	108,108	20,664
Changes in operating assets and liabilities:			
Accounts receivable	(28,966,673)	(32,403,128)	(7,325,344)
Amounts due from related parties	—	—	(3,882,437)
Prepaid expenses and other current assets	(6,532)	3,694,165	(1,531,557)
Other non-current assets	(1,340,037)	137,085	(281,717)
Accounts payable	(481,409)	1,714,590	(301,228)
Accrued payroll and welfare expenses	9,004,835	5,215,150	10,398,953
Income tax payable	5,046,403	6,032,353	20,119,753
Other tax payable	3,589,394	3,503,762	8,320,720
Amounts due to related parties	17,386,292	21,655,567	(21,644,489)
Other current liabilities	4,421,394	(1,027,347)	8,930,136
Deferred taxes	(8,715,860)	(11,960,473)	(18,276,332)
Net cash provided by operating activities	<u>11,174,860</u>	<u>3,324,741</u>	<u>83,422,980</u>
Investing activities:			
Deposit for and purchase of property and equipment and intangible assets	(14,084,196)	(18,180,574)	(16,957,279)
Purchase of subsidiaries, net of cash acquired	(12,555,578)	—	—
Investment in affiliates	—	—	(246,027)
Proceeds from disposal of property and equipment	21,640	21,335	546,373
Net cash used in investing activities	<u>(26,618,134)</u>	<u>(18,159,239)</u>	<u>(16,656,933)</u>
Financing activities:			
Contribution from non-controlling interest	—	252,120	36,904
Proceeds of loans from (Refund loans to) related parties	16,187,160	19,761,083	(43,818,894)
Advance from related parties	—	—	2,760,000
Contribution from E-House	10,649,904	1,500,000	1,000
Dividends to non-controlling interests	(27,931)	(8,723)	(338,941)
Net cash provided by (used in) financing activities	<u>26,809,133</u>	<u>21,504,480</u>	<u>(41,359,931)</u>
Effect of exchange rate changes on cash and cash equivalents	1,343,080	166,157	2,233,257
Net increase in cash and cash equivalents	12,708,939	6,836,139	27,639,373
Cash and cash equivalents at the beginning of the year	51,545,188	64,254,127	71,090,266
Cash and cash equivalents at the end of the year	<u>64,254,127</u>	<u>71,090,266</u>	<u>98,729,639</u>
Supplemental disclosure of cash flow information:			
Income taxes paid	1,839,695	1,008,454	1,478,483
Non-cash investing and financing activities:			
Non-controlling interest recognized in connection with business acquisition	740,874	—	—
Additional paid in capital recognized in connection with business acquisition	—	—	(6,459)
Consideration payable for amount recognized in purchase of exclusive rights	(35,239,205)	(22,892,042)	(8,967,972)
Additional paid-in capital recognized in connection with business acquisition	3,725,761	—	—
Amount due from E-House for proceeds related to partial disposal of subsidiary	500	—	—
Other receivable from non-controlling interest for capital injection	5,508	—	—
Related party loans waived and recorded as a capital contribution	10,649,904	1,500,000	1,000
Related party payable recorded as a capital contribution	20,178,276	21,560,829	15,527,623
Deemed distribution to E-House associated with tax liability	(1,704,836)	(1,747,590)	(2,381,799)

The accompanying notes are an integral part of these consolidated financial statements.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

1. Organization and Principal Activities

Leju Holdings Limited (the "Company" or "Leju") was incorporated on November 20, 2013 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company, through its subsidiaries and consolidated variable interest entities ("VIEs"), is principally engaged in providing online advertising, e-commerce services and listing services in the People's Republic of China ("PRC"). The Company, its subsidiaries and consolidated VIEs are collectively referred to as the "Group."

E-House (China) Holdings Limited ("E-House Holdings") is the Company's parent company. E-House Holdings, its subsidiaries and VIEs, excluding the Group, are collectively referred to as "E-House."

On February 24, 2008, E-House entered into a joint venture agreement with SINA Corporation ("SINA") to form China Online Housing Technology Corporation ("COHT"), a joint venture to operate SINA's real estate and home furnishing channels and related business and provide online advertising services related to the real estate and home furnishing industries in China through a consolidated VIE, Beijing Yisheng Leju Information Service Co., Ltd. ("Beijing Leju"). SINA and E-House owned 66% and 34%, respectively, of the equity interest in COHT.

In October 2009, China Real Estate Information Corporation ("CRIC"), a subsidiary of E-House, acquired SINA's 66% interest in COHT and COHT became a wholly-owned subsidiary of CRIC.

In April 2012, E-House Holdings acquired all the outstanding shares of CRIC that it did not already own (the "Merger"). As a result, CRIC became a wholly-owned subsidiary of E-House Holdings. E-House retained the controlling interest in CRIC before and after the Merger.

In October 2010, CRIC established a new subsidiary, Omnigold Holdings Limited ("Omnigold"), in the British Virgin Islands. In March 2012, COHT transferred its assets and staff relating to the home furnishing business to Beijing Jiajuju E-Commerce Co., Ltd. ("Beijing Jiajuju"), which is a VIE controlled by Omnigold.

In June 2011, CRIC established another subsidiary, China E-Real Estate Holdings Limited ("E-Real"), in the British Virgin Islands. In November 2011, Shanghai Yi Xin E-Commerce Co., Ltd. ("Shanghai Yi Xin"), was established to operate e-commerce business. Shanghai Yi Xin is a VIE controlled by E-Real through contractual arrangements.

E-House City Rehouse Real Estate Agency (Shanghai) Limited ("City Rehouse") was incorporated in 2010 as a wholly owned subsidiary of E-House China (Tianjin) Holdings Limited ("E-House Tianjin"), a company incorporated in the British Virgin Islands and ultimately wholly controlled by E-House Holdings. Historically City Rehouse was engaged in providing secondary real estate brokerage services in Shanghai and e-commerce business. As part of the Reorganization as defined below, the secondary real estate brokerage services have been transferred to entities outside of the Group, and City Rehouse will only be engaged in e-commerce business subsequent to the Reorganization. Therefore the historical financial results associated with the secondary real estate brokerage services were not included in the Group's consolidated financial statements, while the historical financial results of e-commerce business have been included in the consolidated financial statements for all periods presented.

LEJU HOLDINGS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013****(In U.S. dollar)****1. Organization and Principal Activities (Continued)**

In December 2013, E-House transferred all its equity interests in COHT, Omnigold, E-Real and E-House Tianjin to the Company. The restructuring process has been accounted for as a legal reorganization of entities under common control (the "Reorganization").

Upon incorporation, the Company had 500,000,000 ordinary shares authorized, 50,000 ordinary shares issued and outstanding with a par value of \$1.00 per share, all of which were held by E-House Holdings. On December 19, 2013, the Company effected a 1:1,000 share split, resulting in 50,000,000 ordinary shares issued and outstanding with a par value of \$0.001 per share. The Company also issued additional 70,000,000 ordinary shares to E-House Holdings for par value, or \$70,000. As a result, the Company has 120,000,000 ordinary shares issued and outstanding, all of which are held by E-House Holdings. The ordinary share issuance to E-House Holdings has been retroactively reflected for all periods presented herein.

In addition, E-House historically has provided intercompany loans to COHT, Omnigold and E-House Tianjin in order for these entities to fund capital injections of their respective PRC subsidiaries. These loans were capital in nature and considered permanently invested in the subsidiaries. As part of the Reorganization, E-House transferred such investments to the Company in the legal form of waived loans, which were reflected as a capital contribution from E-House in the Company's consolidated statements of changes in equity. The accompanying consolidated financial statements have been prepared as if the current corporate structure has been in existence throughout the periods presented, and the waived loans were reflected as a capital contribution as of the date such loans were originally made due to their nature of capital investment.

The following table lists major subsidiaries and the consolidated VIEs of the Company as of December 31, 2013:

	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Percentage of Ownership</u>
Shanghai SINA Leju Information Technology Co., Ltd ("Shanghai SINA Leju")	08-May-08	PRC	100%
City Rehouse	04-Mar-10	PRC	100%
Shanghai Yi Yue Information Technology Co., Ltd ("Shanghai Yi Yue")	16-Sep-11	PRC	100%
Beijing Maiteng Fengshun Science and Technology Co., Ltd ("Beijing Maiteng")	04-Jan-12	PRC	90%
Beijing Leju	13-Feb-08	PRC	VIE
Shanghai Yi Xin	05-Dec-11	PRC	VIE
Beijing Jiajujiu	22-Mar-12	PRC	VIE

The consolidated financial statements have been prepared on a carve-out basis and represent the assets and liabilities and the related results of operations and cash flows of the Group, which represent the online segment of E-House. The financial data of previously separate entities have been combined, to the extent included in the online segment of E-House, for all periods presented as all such entities were under common control. However, such presentation may not necessarily reflect the results of operations, financial position and cash flows if the Group had actually existed on a stand-alone basis

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

1. Organization and Principal Activities (Continued)

during the periods presented. Transactions between the Group and E-House are herein referred to as related party transactions.

In connection with a contemplated initial public offering (the "offering") of the Company, the Company entered into non-competition arrangements with E-House Holdings, according to which E-House has agreed not to compete with the Group in online services business anywhere in the world and the Group has agreed not to compete with E-House in any services currently provided or contemplated by E-House other than online services. Prior to these non-competition arrangements, E-House and the Group did not have competition in the services provided.

The consolidated financial statements include the Group's direct expenses as well as allocations for various selling, general and administrative expenses of E-House that are not directly related to online services. These expenses consist primarily of share-based compensation expenses of senior management and shared marketing and management expenses including accounting, administrative, marketing, internal control, customer service support and legal support services. These allocations were made using a proportional cost allocation method and were based on revenues, headcount as well as estimates of actual time spent on the provision of services attributable to the Group. Management believes these allocations are reasonable. Total selling, general and administrative expenses allocated from E-House are \$20,178,276, \$21,560,829 and \$15,527,623 for the years ended December 31, 2011, 2012 and 2013, respectively. General corporate expenses allocated from E-House are recorded as capital contribution by E-House. Income tax provision reflected in the Company's Consolidated Statements of Operations is calculated based on a separate return basis as if the Group had filed a separate tax return.

2. Summary of Principal Accounting Policies

(a) Basis of presentation

The consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

(b) Basis of consolidation

The consolidated financial statements include the financial statements of Leju, its majority owned subsidiaries and its VIEs, Beijing Leju, Shanghai Yi Xin and Beijing Jiajuju. All inter-company transactions and balances have been eliminated in consolidation.

The Group evaluates each of its interests in private companies to determine whether or not the investee is a VIE and, if so, whether the Group is the primary beneficiary of such VIE. In determining whether the Group is the primary beneficiary, the Group considers if the Group (1) has power to direct the activities that most significantly affects the economic performance of the VIE, and (2) receives the economic benefits of the VIE that could be significant to the VIE. If deemed the primary beneficiary, the Group consolidates the VIE.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)*The VIE arrangements*

PRC regulations currently prohibit or restrict foreign ownership of companies that provide internet content and advertising services. To comply with these regulations, the Group provides such activities relating to real estate projects through its VIEs and their subsidiaries. To provide the Group effective control over and the ability to receive substantially all of the economic benefits of its VIEs and their subsidiaries, certain of the Company's subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Maiteng (collectively, the "Foreign Owned Subsidiaries") entered into a series of contractual arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajujiu (collectively the "VIEs") and their respective shareholders, respectively, as summarized below:

<u>Name of Foreign Owned Subsidiaries</u>	<u>Foreign Owned Subsidiaries' Economic Ownership of VIEs</u>	<u>Name of VIEs</u>	<u>Activities of VIEs</u>
Shanghai SINA Leju	100%	Beijing Leju	Operate the online advertising and listing business
Shanghai Yi Yue	100%	Shanghai Yi Xin	Operate the e-commerce business
Beijing Maiteng	100%	Beijing Jiajujiu	Operate the online home furnishing business

The VIEs hold the requisite licenses and permits necessary to conduct internet content and advertising services activities relating to real estate projects from which foreign ownership of companies are prohibited or restricted. In addition, the VIEs hold leases and other assets necessary to operate such business and generate a majority of the Group's revenues.

Agreements that Transfer Economic Benefits of the VIEs to the Group

Exclusive Consulting and Technical Support Agreement. Pursuant to an exclusive consulting and technical support agreement between the Foreign Owned Subsidiaries and the respective VIEs, the Foreign Owned Subsidiaries provide the respective VIEs with a series of consulting and technical support services and are entitled to receive related fees. The term of this exclusive technical support agreement will expire upon dissolution of the VIEs. Unless expressly provided by this agreement, without prior written consent of the Foreign Owned Subsidiaries, the VIEs may not engage any third party to provide the services offered by the Foreign Owned Subsidiaries under this agreement.

Agreements that Provide Effective Control over VIEs

Exclusive Call Option Agreement. Each of shareholders of the VIEs has entered into an exclusive call option agreement with the respective Foreign Owned Subsidiaries. Pursuant to these agreements, each of the shareholders of the VIEs has granted an irrevocable and unconditional option to the respective Foreign Owned Subsidiaries or their designees to acquire all or part of such shareholder's equity interests in VIEs at its sole discretion, to the extent as permitted by PRC laws and regulations then in effect. The consideration for such acquisition of all equity interests in the VIEs will be equal to the registered capital of the VIEs, and if PRC law requires the consideration to be greater

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

than the registered capital, the consideration will be the minimum amount as permitted by PRC law. In addition, the VIEs irrevocably and unconditionally granted the respective Foreign Owned Subsidiaries an exclusive option to purchase, to the extent permitted under the PRC law, all or part of the assets of the VIEs. The exercise price for purchasing the assets of the VIEs will be equal to their respective book values, and if PRC law requires the price to be greater than the book value, the price will be the minimum amount as permitted by PRC law. The call option may be exercised by the respective Foreign Owned Subsidiaries or their designees.

Loan Agreement. Under the loan agreement among shareholders of the VIEs and the respective Foreign Owned Subsidiaries, the respective Foreign Owned Subsidiaries granted an interest-free loan to the shareholders of the VIEs, solely for their purchase of the equity interest of the VIEs, investing or operating activities conducted in the VIEs. Each loan agreement has a term of twenty years.

Shareholder Voting Right Proxy Agreement. Each of the shareholders of the VIEs irrevocably grant any person designated by the respective Foreign Owned Subsidiaries the power to exercise all voting rights to which he will be entitled to as shareholder of the VIEs at that time, including the right to declare dividends, appoint and elect board members and senior management members and other voting rights.

Each shareholder voting right proxy agreement has a term of twenty years, unless it is early terminated by all parties in writing or pursuant to provision of this agreement. The term of the agreement will be automatically extended for one year upon the expiration, if the Foreign Owned Subsidiary gives the other parties written notice requiring the extension thereof and the same mechanism will apply subsequently upon the expiration of each extended term.

Equity Pledge Agreement. Each of the shareholders of the VIEs has also entered into an equity pledge agreement with the respective Foreign Owned Subsidiaries. Pursuant to which these shareholders pledged their respective equity interest in the VIEs to guarantee the performance of the obligations of the VIEs. The Foreign Owned Subsidiaries, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests. Pursuant to the equity pledge agreement, each shareholder of the VIEs cannot transfer, sell, pledge, dispose of or otherwise create any new encumbrance on their respective equity interest in the VIEs without the prior written consent of the respective Foreign Owned Subsidiaries. The equity pledge right enjoyed by the Foreign Owned Subsidiaries will expire when shareholders of the VIEs have fully performed their respective obligations under the above agreements. The equity pledges of the VIEs have been registered with the relevant local branch of the State Administration for Industry and Commerce, or SAIC.

Risks in relation to the VIE structure

The Company believes that the Foreign Owned Subsidiaries' contractual arrangements with the VIEs are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce these contractual arrangements and the interests of the shareholders of the VIEs may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the VIEs not to pay the service fees when required to do so.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

The Company's ability to control the VIEs also depends on the power of attorney the Foreign Owned Subsidiaries have to vote on all matters requiring shareholder approval in the VIEs. As noted above, the Company believes this power of attorney is legally enforceable but may not be as effective as direct equity ownership.

In addition, if the legal structure and contractual arrangements were found to be in violation of any existing PRC laws and regulations, the Company may be subject to fines or other actions. The Company does not believe such actions would result in the liquidation or dissolution of the Company, the Foreign Owned Subsidiaries or the VIEs.

The Company, through its subsidiaries and through the contractual arrangements, has (1) the power to direct the activities of the VIEs that most significantly affect the entity's economic performance and (2) the right to receive benefits from the VIEs. Accordingly, the Company is the primary beneficiary of the VIEs and has consolidated the financial results of the VIEs.

The following financial statement amounts and balances of the Group's VIEs were included in the accompanying consolidated financial statements:

	<u>As of December 31,</u>	
	<u>2012</u>	<u>2013</u>
	\$	\$
Cash and cash equivalents	51,356,489	63,801,470
Accounts receivable, net of allowance for doubtful accounts	87,651,729	86,715,012
Other current assets	19,556,968	29,037,648
Total current assets	158,565,186	179,554,130
Total non-current assets	50,581,591	35,676,076
Total assets	<u>209,146,777</u>	<u>215,230,206</u>
Accounts payable	1,718,237	1,422,956
Accrued payroll and welfare expenses	18,699,376	28,576,202
Income tax payable	15,745,166	27,921,574
Other tax payable	8,681,802	11,024,857
Amounts due to related parties	77,698,115	47,023,449
Advance from customers	2,818,277	7,112,620
Liability for exclusive rights, current	16,973,230	8,967,972
Other current liabilities	5,985,768	7,537,471
Total current liabilities	148,319,971	139,587,101
Deferred tax liabilities, non-current	928,945	655,563
Liability for exclusive rights, non-current	5,918,812	—
Total liabilities	<u>155,167,728</u>	<u>140,242,664</u>

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Total revenues	116,401,191	163,242,652	316,271,620
Cost of revenues	(37,080,201)	(53,279,068)	(58,253,716)
Net income (loss)	(6,574,649)	(1,554,046)	1,285,139
Net cash provided by operating activities	13,996,068	15,967,793	64,832,510
Net cash used in investing activities	(25,974,623)	(17,543,318)	(16,640,090)
Net cash provided by (used in) financing activities	(4,673,491)	26,686,813	(37,824,941)

There are no consolidated VIEs' assets that are collateral for the VIEs' obligations or are restricted solely to settle the VIEs' obligations. The Company has not provided any financial support that it was not previously contractually required to provide to the VIEs.

(c) Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates. Significant accounting estimates reflected in the Group's financial statements include useful lives and valuation of long-lived assets, evaluation of goodwill, allowance for doubtful accounts, assumptions related to share-based compensation arrangements, assumptions related to the consolidation of entities in which the Group holds variable interests, valuation allowance on deferred tax, and selling price hierarchy in multiple-deliverable revenue arrangements.

(d) Fair value of financial instruments

The Group records certain of its financial assets and liabilities at fair value on a recurring basis. Fair value reflects the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

The Group applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. There are three levels of inputs that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

There are no assets measured at fair value on a recurring basis.

Assets measured at fair value on a nonrecurring basis include the fair value measurement of the Group in goodwill impairment testing (Note 6) based on Level 3 inputs in 2011. The impairment loss based on Level 3 fair value measurements was \$417,822,304, recognized as goodwill impairment charge in consolidated statements of operations for the year ended December 31, 2011. There were no assets or liabilities measured at fair value on a nonrecurring basis in 2012 and 2013.

For cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables, and amounts due from/to related parties, the carrying value approximates the fair value due to their short-term nature. The fair value of the non-current portion of liabilities for exclusive rights was \$5,918,812 and nil as of December 31, 2012 and 2013, respectively. The fair value was estimated using a discounted cash flows method by discounting the estimated future collections or payments using the Company's incremental borrowing rate for an instrument with similar terms on the measurement date. As the future cash flows from collections or payments were management's best estimates based on information available on the valuation date, which were not observable or cannot be corroborated with market information, the fair value measurements were classified as Level 3 measurements. Any change in the estimated timing of cash inflow or outflow would result in a change in the fair value measurement in the same direction.

(e) Business combinations

Business combinations are recorded using the purchase method of accounting and, accordingly, the acquired assets and liabilities are recorded at their fair market value at the date of acquisition. Any excess of acquisition cost over the fair value of the acquired assets and liabilities, including identifiable intangible assets, is recorded as goodwill.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less.

(g) Investment in affiliates

Affiliated companies are entities over which the Group has significant influence, but which it does not control. The Group generally considers an ownership interest of 20% or higher to represent significant influence.

LEJU HOLDINGS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013****(In U.S. dollar)****2. Summary of Principal Accounting Policies (Continued)**

Investments in affiliates are accounted for by the equity method of accounting. Under this method, the Group's share of the post-acquisition profits or losses of affiliated companies is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. Unrealized gains on transactions between the Group and its affiliated companies are eliminated to the extent of the Group's interest in the affiliated companies; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Group's share of losses in an affiliated company equals or exceeds its interest in the affiliated company, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the affiliated company.

The Group is required to perform an impairment assessment of its investments whenever events or changes in business circumstances indicate that the carrying value of the investment may not be fully recoverable. An impairment loss is recorded when there has been a loss in value of the investment that is other than temporary. The Group has not recorded any impairment losses in any of the periods reported. As of December 31, 2012 and 2013, the Group determined that no such events were present.

(h) Property and equipment, net

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Leasehold improvements	Over the shorter of the lease term or their estimated useful lives
Buildings	30 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

Gains and losses from the disposal of property and equipment are included in income from operations.

(i) Intangible assets, net

Acquired intangible assets mainly consist of advertising agency agreement and license agreements with SINA, exclusive rights with Baidu, Inc. ("Baidu"), customer relationships, Database license, and non-compete agreements from business combinations and are recorded at fair value on the acquisition date. All intangible assets, with the exception of customer relationships, are amortized ratably over the contract period. Intangible assets resulting out of acquired customer relationships are amortized based on the timing of the revenue expected to be derived from the respective customer.

(j) Impairment of long-lived assets

The Group evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When these events occur, the Group measures impairment by comparing the carrying amount of the assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss equal to the excess of the carrying amount over the fair value of the assets.

(k) Impairment of goodwill and indefinite lived intangible assets

The Group performs an annual goodwill impairment test comprised of two steps. The first step compares the fair value of the Group to its carrying amount, including goodwill and indefinite lived intangible assets. If the fair value of the Group exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of the Group exceeds its fair value, the second step compares the implied fair value of goodwill and indefinite lived intangible assets to the carrying value of the Group's goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the Group. The excess of the fair value of the Group over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. This allocation process is only performed for purposes of evaluating goodwill impairment and does not result in an entry to adjust the value of any assets or liabilities. An impairment loss is recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill.

Management performs a goodwill impairment test at the Group level as of December 31 of each year or when there is a triggering event causing management to believe it is more likely than not that the carrying amount of goodwill may be impaired.

Intangible assets with an indefinite life are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of the intangible asset to its carrying amount. If the carrying amount exceeds the fair value, an impairment loss is recognized equal in amount to that excess.

(l) Income taxes

Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities, and their reported amounts in the financial statements, net operating loss carry forwards and credits by applying enacted statutory tax rates applicable to future years when the reported amounts of the asset or liability are expected to be recovered or settled, respectively. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on the classification of the related assets and liabilities for financial reporting purposes.

The Group only recognizes tax benefits related to uncertain tax positions when such positions are more likely than not of being sustained upon examination. For such positions, the amount of tax benefit that the Group recognizes is the largest amount of tax benefit that is more than fifty percent likely of being sustained upon the ultimate settlement of such uncertain position. The Group records interest and penalties as a component of income tax expense.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

(m) *Share-based compensation*

Share-based compensation cost is measured on the grant date, based on the fair value of the award, and recognized as an expense over the requisite service period. Management has made an estimate of expected forfeitures and recognizes compensation cost only for those equity awards expected to vest.

(n) *Revenue recognition*

The Group recognizes revenue when there is persuasive evidence of an arrangement, service has been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Revenues are recorded, net of sales related taxes.

The Group generates real estate online revenues principally from e-commerce, online advertising, and listing services.

The Group provides e-commerce services which include property viewing, online deposit payments, discount coupon advertising, and online property auctions. E-commerce revenues are principally generated from selling discount coupons to potential property buyers. Those discount coupons allow buyers to purchase specified properties from real estate developers at discounts greater than the face value of the fees charged by the Group. The discount coupons are refundable to the buyers at any time before they are used to purchase the specified properties. The Group recognizes such e-commerce revenues upon obtaining confirmation letters that prove the use of coupons by property buyers, and when collections are reasonably assured. Revenues are recognized based on the net proceeds received as the Group acts as a marketing agent of the property developer in the transaction.

Revenue from online advertising services is generated principally from online advertising arrangements, sponsorship arrangements, and to a lesser extent, outsourcing arrangements, and keyword advertising arrangements. Online advertising arrangements allow advertisers to place advertisements on particular areas of the Group's websites, in particular formats and over particular periods of time. Advertising revenues from online advertising arrangements are recognized ratably over the contract period of display when collectability is reasonably assured. Sponsorship arrangements allow advertisers to sponsor a particular area on the Group's websites in exchange for a fixed payment over the contract period. Advertising revenues from sponsorship arrangements are recognized ratably over the contract period. The Group also generates online advertising revenues from outsourcing certain regional sites for a fixed period of time to local outsourcing partners, who are responsible for both website operation and related advertising sales. Advertising revenues from hosted websites are recognized ratably over the term of the contract. Keyword advertising revenues are recognized ratably over the contract period when collectability is reasonably assured.

The Group also provides listing services to real estate brokers. Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee. Listing revenues are recognized ratably over the contract period of display when collectability is reasonably assured.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

Effective January 1, 2011, the Group adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2009-13, "Multiple-Deliverable Revenue Arrangements," prospectively for all new and materially modified arrangements. ASU 2009-13 requires the Group to allocate revenue to arrangement deliverables using the relative selling price method.

There are no multiple elements arrangements within the services provided by the Group. However, E-House has multiple element arrangements that may include provision of online advertising services provided by the Group. The multiple element arrangements may affect the revenue recognition of the Group. E-House has determined that each of the deliverables is considered a separate unit of account as each has value to the customer on a stand-alone basis and has been sold separately on a stand-alone basis, there is no general right of return on delivered items and the delivery or performance of the undelivered item(s) is considered probable and substantially in the control of E-House.

E-House allocates arrangement consideration in multiple-deliverable revenue arrangements at the inception of an arrangement to all deliverables based on the relative selling price in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence ("VSOE") if available; (ii) third-party evidence ("TPE") if VSOE is not available; and (iii) best estimate of selling price ("BESP") if neither VSOE nor TPE is available.

VSOE. E-House determines VSOE based on its historical pricing and discounting practices for the specific service when sold separately. In determining VSOE, E-House requires that a substantial majority of the selling prices for these services fall within a reasonably narrow pricing range. E-House has historically priced its commission rate for the primary real estate services, periodic consulting services, subscription for the CRIC system and online advertising within a narrow range. As a result, E-House has used VSOE to allocate the selling price for these services when they are elements of a multiple element arrangement.

TPE. When VSOE cannot be established for deliverables in multiple element arrangements, E-House applies judgment with respect to whether it can establish a selling price based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, E-House's marketing strategy differs from that of its peers and its offerings contain a significant level of differentiation such that the comparable pricing of services with similar functionality cannot be obtained. Furthermore, E-House is unable to reliably determine what similar competitor services' selling prices are on a stand-alone basis. As a result, E-House has not been able to establish selling price based on TPE.

BESP. When it is unable to establish selling price using VSOE or TPE, E-House uses BESP in its allocation of arrangement consideration. The objective of BESP is to determine the price at which E-House would transact a sale if the service were sold on a stand-alone basis. E-House determines BESP for deliverables by considering multiple factors including, but not limited to, prices it charged for similar offerings, market conditions, specification of the services rendered and pricing practices. E-House has used BESP to allocate the selling price of project-based consulting service and promotional event services under these multiple element arrangement. The process for determining BESP involves management judgment. E-House's process considers multiple factors that may vary depending upon the unique facts and circumstances related to each deliverable. If the facts and

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

circumstances underlying the factors E-House considers change, or should subsequent facts and circumstances lead E-House to consider additional factors, E-House's BESP could change in future periods. E-House regularly reviews the evidence of selling price for its services and maintains internal controls over the establishment and updates of these estimates. There were no material changes in estimated selling price for its services during the years ended December 31, 2011, 2012 and 2013, nor does E-House expect a material changes in BESP in the foreseeable future.

If E-House had applied the provisions of ASU 2009-13 for the year ended December 31, 2010, there would have been no material effect on revenue during that period. Additionally, the adoption of ASU 2009-13 did not have a material effect on revenue for the years ended December 31, 2011, 2012 and 2013 when compared to the revenue that would have been recognized under the guidance in effect prior to adoption of ASU 2009-13. The effect of adopting this guidance in future periods will depend on the nature of E-House's customer arrangements in those periods, including the nature of services included in those arrangements, the magnitude of revenue associated with certain deliverables in those arrangements, and the timing of delivery of the related services in those arrangements, among other considerations.

Deferred revenues are recognized when payments are received in advance of revenue recognition.

(o) Cost of revenue

Cost of revenue consists of costs associated with the production of websites, which includes fees paid to third parties for internet connection, content and services, editorial personnel related costs, amortization of intangible assets, depreciation associated with website production equipment and fees paid to SINA for advertising on non-real estate channels.

(p) Advertising expenses

Advertising expenses consist primarily of costs for the promotion of corporate image, product marketing and direct marketing. The Company expenses all advertising costs as incurred and classifies these costs under sales and marketing expense. The nature of the Company's direct marketing activities is such that they are intended to attract subscribers for the online advertising and potential property buyers to purchase the discount coupons. The Group incurred advertising expenses amounting to \$31,006,051, \$44,876,635 and \$96,288,501 for the years ended December 31, 2011, 2012 and 2013, respectively.

(q) Foreign currency translation

The functional currency of the Company is the United States dollar ("U.S. dollar") and is used as the reporting currency of the Group. Monetary assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollar at the rates of exchange ruling at the balance sheet date. Equity accounts are translated at historical exchange rates and revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as foreign currency translation adjustment and are shown as a separate component of other comprehensive income in the consolidated statements of changes in equity and comprehensive income.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

The financial records of certain of the Company's subsidiaries are maintained in local currencies other than the U.S. dollar, such as Renminbi ("RMB") and Hong Kong dollar ("HKD"), which are their functional currencies. Transactions in other currencies are recorded at the rates of exchange prevailing when the transactions occur. Transaction gains and losses are recognized in the consolidated statements of operations.

The Group recorded an exchange loss of \$134,360, \$96,646 and \$249,944 for the years ended December 31, 2011, 2012 and 2013, respectively, as a component of other loss, net.

(r) Government subsidies

Government subsidies include cash subsidies received by the Company's subsidiaries in the PRC from local governments. These subsidies are generally provided as incentives for conducting business in certain local districts. Cash subsidies of \$13,937, \$153,340 and \$599,894 were included in other operating income for the years ended December 31, 2011, 2012 and 2013, respectively. Subsidies are recognized when cash is received and when all the conditions for their receipt have been satisfied.

(s) Concentration of credit risk

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable. The Group places its cash and cash equivalents with reputable financial institutions.

The Group regularly reviews the creditworthiness of its customers, and requires collateral or other security from its customers in certain circumstances when accounts receivables' aging is over one year. The Group establishes an allowance for doubtful accounts primarily based upon factors surrounding the credit risk of specific customers, including creditworthiness of the clients, aging of the receivables and other specific circumstances related to the accounts.

Movement of the allowance for doubtful accounts for accounts receivable is as follows:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Balance as of January 1	4,649,370	4,749,752	7,393,312
Provisions for doubtful accounts	1,237,266	7,437,323	6,373,132
Write offs	(1,370,987)	(4,808,614)	(4,667,466)
Changes due to foreign exchange	234,103	14,851	254,711
Balance as of December 31	<u>4,749,752</u>	<u>7,393,312</u>	<u>9,353,689</u>

The allowance for other receivables was nil for all periods presented.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

2. Summary of Principal Accounting Policies (Continued)

(t) Earnings per share

Basic earnings per share are computed by dividing income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per ordinary share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares.

The following table sets forth the computation of basic and diluted income per share for the periods indicated:

	Year Ended December 31,		
	2011	2012	2013
Net income (loss) attributable to Leju ordinary shareholders—basic and diluted	\$ (438,831,411)	\$ (44,759,336)	\$ 42,524,962
Weighted average number of ordinary shares outstanding—basic and diluted	120,000,000	120,000,000	120,000,000
Basic and Diluted earnings (loss) per share	\$ (3.66)	\$ (0.37)	\$ 0.35

Diluted earnings (loss) per share do not include the following instruments as their inclusion would have been anti-dilutive:

	Year Ended December 31,		
	2011	2012	2013
Share options and restricted shares	—	—	599,333

(u) Non-controlling interest

Non-controlling interest are classified as a separate line item in the equity section and disclosures in the Company's consolidated financial statements have distinguished the interest of Leju from the interest of non-controlling interest holders.

(v) Comprehensive income

Comprehensive income includes all changes in equity except those resulting from investments by owners and distributions to owners. For the years presented, total comprehensive income included net income and foreign currency translation adjustments.

LEJU HOLDINGS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013****(In U.S. dollar)****2. Summary of Principal Accounting Policies (Continued)****(w) Recently issued accounting pronouncements**

In March 2013, the FASB issued ASU 2013-05 related to parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. When a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity, the parent is required to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. This ASU is effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. It should be applied prospectively to derecognition events occurring after the effective date. Prior periods should not be adjusted. Early adoption is permitted. If an entity elects to early adopt the amendments, it should apply them as of the beginning of the entity's fiscal year of adoption. The adoption of the amendments will not have a material impact on the Group's consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11 which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The ASU requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This ASU applies to all entities that have unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists at the reporting date. The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The adoption of the amendments will not have a material impact on the Group's consolidated financial statements.

3. Acquisitions of Subsidiaries

In August 2011, the Group acquired Beijing Jiahua Xinlian Media Advertisement Co., Ltd. ("Beijing Jiahua"), a real estate advertisement agency, for a cash consideration of \$9,416,363 and a 16% equity interest of the Group's subsidiary Beijing Yisheng Leju Advertisement Co., Ltd. ("Beijing Advertisement"), which had a fair value of \$3,398,954. The purpose of the acquisition was to expand the Group's online advertising business by leveraging Beijing Jiahua's advertising network. The goodwill mainly reflected the competitive advantages the Company expected to realize from Beijing Jiahua's standing in the online advertising agency industry, including synergies related to sales and distribution,

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

3. Acquisitions of Subsidiaries (Continued)

and growth prospects for higher sales volumes and improved market position, which do not qualify for separate recognition of intangible assets.

The transaction was accounted for using the purchase method with the purchase price allocated as follows:

	<u>Allocated Value</u>	<u>Amortization Period</u>
	\$	
Total tangible assets acquired	78,775	
Liabilities assumed	(468)	
Customer relationship	3,307,686	7.3 years
Non-compete agreements	953,596	2.6 years
Goodwill	9,541,048	
Deferred tax liabilities	(1,065,320)	
Total	<u>12,815,317</u>	

The goodwill is not deductible for tax purposes.

In August 2011, the Group acquired Beijing Shangtuo Shunze Media Advertisement Co. Ltd ("Beijing Shangtuo"), a real estate advertisement agency, for a cash consideration of \$3,139,312 and a 5% equity interest in Beijing Advertisement, which had a fair value of \$1,062,173. The purpose of the acquisition was to expand the Group's online advertising business by leveraging Beijing Shangtuo's advertising network. The goodwill mainly reflected the competitive advantages the Company expected to realize from Beijing Shangtuo's standing in the online advertising agency industry, including synergies related to sales and distribution, and growth prospects for higher sales volumes and improved market position, which do not qualify for separate recognition of intangible assets.

The transaction was accounted for using the purchase method with the purchase price allocated as follows:

	<u>Allocated Value</u>	<u>Amortization Period</u>
	\$	
Total tangible assets acquired	78,827	
Liabilities assumed	(928)	
Customer relationship	983,494	7.3 years
Non-compete agreements	413,854	2.6 years
Goodwill	3,075,575	
Deferred tax liabilities	(349,337)	
Total	<u>4,201,485</u>	

The goodwill is not deductible for tax purposes.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

3. Acquisitions of Subsidiaries (Continued)

Pro forma results of operations for these acquisitions as well as the results of operations since the date of acquisition to the period end have not been presented because they are not material to the consolidated results of operations, either individually or in the aggregate.

4. Property and Equipment, Net

Property and equipment, net consists of the following:

	As of December 31,	
	2012	2013
	\$	\$
Furniture, fixtures and equipment	9,528,056	10,631,922
Leasehold improvements	3,261,736	3,784,747
Buildings	1,282,572	766,994
Motor vehicles	1,109,881	1,503,273
Total	15,182,245	16,686,936
Accumulated depreciation	(6,495,992)	(9,659,234)
Property and equipment, net	8,686,253	7,027,702

Depreciation expenses were \$1,899,981, \$2,926,149 and \$3,021,130 for the years ended December 31, 2011, 2012 and 2013, respectively.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

5. Intangible Assets, Net

	As of December 31,		Weighted Average Remaining Amortization Period in Years
	2012 \$	2013 \$	
Intangible assets subject to amortization are comprised of the following:			
Advertising agency agreement with SINA	106,790,000	106,790,000	5.95
License agreements with SINA	80,660,000	80,660,000	5.75
Exclusive rights with Baidu	43,955,466	45,315,329	1.25
Customer relationship	10,660,574	10,811,555	5.53
Database license	8,300,000	8,300,000	4.25
Non-compete agreements	1,619,637	1,662,410	0.55
Computer software licenses	820,721	896,317	3.07
	<u>252,806,398</u>	<u>254,435,611</u>	5.41
Less: Accumulated amortization			
Advertising agency agreement	34,026,224	44,495,832	
License agreements with SINA	26,214,500	34,280,500	
Exclusive rights with Baidu	20,632,977	34,693,471	
Customer relationship	4,023,672	6,030,501	
Database license	3,173,531	4,150,001	
Non-compete agreements	839,398	1,456,950	
Computer software licenses	691,629	798,216	
Intangible assets subject to amortization, net	<u>163,204,467</u>	<u>128,530,140</u>	
Total intangible assets, net	<u>163,204,467</u>	<u>128,530,140</u>	

The advertising agency agreement and license agreements with SINA were recognized in connection with the Group's acquisition of COHT in 2009, which allows the Group to operate SINA's existing real estate and home furnishing related channels and have the exclusive right to sell advertising relating to real estate, home furnishing and construction materials on these channels as well as SINA's other websites through 2019. If the Group sells advertising on SINA's websites other than above channels, it will pay SINA fees of approximately 15% of the revenues generated from these sales. The acquisition cost was recognized as an intangible asset and amortized over the term of the agreement.

In 2011, the Group purchased exclusive rights from Baidu, Inc ("Baidu") which allow it to sell Baidu's real estate related Brand Link product, which is a form of keyword advertising, and to use and operate Baidu's exclusive real estate-related web channel for \$47,612,100 through August 2014. In October 2013, the Group extended these rights with Baidu to March 2015, without paying additional consideration. The payment schedule of the remaining liability for exclusive rights was also deferred through the extension period. The fair value of \$43,847,992 was recognized in 2011 and calculated by discounting the future cash payments to be made from 2012 to 2014. The difference between the fair value and the principal amount of \$3,764,108 is being amortized using the effective interest method

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

5. Intangible Assets, Net (Continued)

over the term of the exclusive rights and amounted to \$891,441, \$1,882,804 and \$935,177 for the years ended December 31, 2011, 2012 and 2013, respectively.

The Group paid \$9,435,994, \$14,249,180 and \$15,347,915 in connection with the exclusive rights in 2011, 2012 and 2013, respectively.

Amortization expenses were \$27,278,648, \$36,863,827 and \$35,321,801 for the years ended December 31, 2011, 2012 and 2013, respectively. The Group expects to record amortization expenses of \$29,750,848, \$22,798,791, \$20,351,190, \$20,130,785 and \$19,239,029 for the years ending December 31, 2014, 2015, 2016, 2017 and 2018, respectively.

6. Goodwill

Changes in the carrying amount of goodwill for the years ended December 31, 2011, 2012 and 2013 are as follows:

	<u>2011</u>	<u>2012</u>	<u>2013</u>
	\$	\$	\$
Balance as of January 1	445,282,401	40,152,022	40,215,987
Goodwill recognized upon acquisition	12,616,623	—	—
Exchange rate translation	75,302	63,965	394,633
Impairment charge	(417,822,304)	—	—
Balance as of December 31	<u>40,152,022</u>	<u>40,215,987</u>	<u>40,610,620</u>

	<u>As of December 31,</u>	
	<u>2012</u>	<u>2013</u>
	\$	\$
Goodwill, gross	458,038,291	458,432,924
Accumulated impairment charge	(417,822,304)	(417,822,304)
Goodwill, net	<u>40,215,987</u>	<u>40,610,620</u>

The Group utilized the income approach valuation method (Level 3) to compute the fair value of the Group. The key assumptions used in the income approach, which requires significant management judgment, include forecasted cash flows which considers the historical financial trends, business growth rate and market share, as well as terminal value and discount rate. Significant increases in discount rate or decrease in terminal value in isolation would result in a significantly lower fair value measurement.

Toward the end of the third quarter of 2011, China's real estate market showed signs of further slowdown under the government's continued restrictive policies and further credit tightening. The Group's revenue growth started to slow down as developers became more pessimistic about increasing sales volume and more cautious with their advertising spending. The Group believed that this resulted in slower than previously expected growth for its business over the next several years. These circumstances prompted management to evaluate and test the fair value of the Group against their carrying amount. The Group applied a discount rate of 16.5% and terminal growth rate of 2% in

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

6. Goodwill (Continued)

estimating the fair value. The Group concluded that the carrying amount was higher than its fair value and consequently recorded a one-time goodwill impairment charge of \$417,822,304 during the third quarter of 2011.

Based on the impairment tests performed, there was no goodwill impairment as of December 31, 2012, and 2013, respectively. The Group recorded a goodwill impairment charge of \$417,822,304, nil and nil for the years ended December 31, 2011, 2012 and 2013, respectively.

7. Other Loss, Net

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Amortized discounts related to liability for exclusive rights	891,441	1,882,804	935,177
Foreign exchange loss	134,360	96,646	249,944
Total	<u>1,025,801</u>	<u>1,979,450</u>	<u>1,185,121</u>

8. Income Tax

For financial reporting purposes, income before income taxes includes the following components:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Income (loss) Before Income Taxes:			
PRC	11,015,523	37,908,140	91,779,478
Other	(451,276,111)	(85,833,719)	(45,994,531)
Total	<u>(440,260,588)</u>	<u>(47,925,579)</u>	<u>45,784,947</u>

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

8. Income Tax (Continued)

The expense (benefit) for income taxes is comprised of:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Current Tax			
PRC	6,705,373	7,053,197	21,147,165
Other	—	—	—
	<u>6,705,373</u>	<u>7,053,197</u>	<u>21,147,165</u>
Deferred Tax			
PRC	(8,715,860)	(11,130,125)	(18,081,440)
Other	—	—	—
	<u>(8,715,860)</u>	<u>(11,130,125)</u>	<u>(18,081,440)</u>
Income tax expense (benefit)	<u>(2,010,487)</u>	<u>(4,076,928)</u>	<u>3,065,725</u>

The Company is incorporated in the Cayman Islands, which is exempted from tax.

On January 1, 2008, a new Enterprise Income Tax Law in China took effect. The new law applies a statutory 25% enterprise income tax rate to both foreign invested enterprises and domestic enterprises.

In February 2009, Shanghai SINA Leju, the Group's subsidiary in China, was granted software enterprise status, which qualified the subsidiary to be exempted from income taxes for 2009, followed by a 50% reduction in its income tax rate, or a rate of 12.5%, from 2010 through 2012. Shanghai SINA Leju was also granted status as a high and new technology enterprise and was entitled to enjoy a favorable statutory tax rate of 15% from 2013 through 2014.

In February 2012, Shanghai Fangxin information technology Co., Ltd., the Group's subsidiary in China, was granted software enterprise status, which exempted it from income taxes for 2012 and 2013 and provided a 50% reduction in its income tax rate, or a rate of 12.5%, from 2014 through 2016.

The Group's subsidiaries in Hong Kong are subject to a profit tax at the rate of 16.5% on assessable profit determined under relevant Hong Kong tax regulations. The Company's subsidiaries incorporated in the BVI are not subject to taxation.

The Group does not have uncertain tax positions in accordance with ASC740-10, nor does it anticipate any significant increase to its liability for unrecognized tax benefit within next 12 months. The Group will classify interest and penalties related to income tax matters, if any, in income tax expense.

According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of taxes is due to tax authority's mistake or due to computational errors made by the taxpayer. The statute of limitations will be extended to five years under special circumstances, which are not clearly defined, but an underpayment of tax liability exceeding RMB100,000 (\$16,402) is specifically listed as a special circumstance. In the case of a transfer pricing

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

8. Income Tax (Continued)

related adjustment, the statute of limitations is 10 years. There is no statute of limitations in the case of tax evasion.

The principal components of the deferred income tax assets/liabilities are as follows:

	As of December 31,	
	2012	2013
	\$	\$
Deferred tax assets:		
Accrued salary expenses	5,125,473	7,250,447
Bad debt provision	1,848,329	2,338,422
Net operating loss carry forwards	3,267,758	2,661,176
Advertising expenses temporarily non-deductible	8,240,500	18,026,659
Other	309,172	67,396
Gross deferred tax assets	18,791,232	30,344,100
Valuation allowance	(831,361)	(1,051,973)
Total deferred tax assets	17,959,871	29,292,127
Analysis as:		
Current	17,317,179	27,714,132
Non-current	642,692	1,577,995
Deferred tax liabilities:		
Amortization of intangible and other assets	35,008,584	27,563,891
Total deferred tax liabilities	35,008,584	27,563,891
Analysis as:		
Current	—	—
Non-current	35,008,584	27,563,891

Movement of the valuation allowance is as follows:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Balance as of January 1	—	—	(831,361)
Additions	—	(830,348)	(194,892)
Changes due to foreign exchange	—	(1,013)	(25,720)
Balance as of December 31	—	(831,361)	(1,051,973)

The Group has recognized a valuation allowance against deferred tax assets on tax loss carry forwards of nil, \$830,348 and \$194,892 for the years ended December 31, 2011, 2012 and 2013, respectively.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

The Group assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three year period ended December 31, 2013. Such objective evidence limits the Group's ability to consider other subjective evidence such as our projections for future growth.

On the basis of this evaluation, as of December 31, 2013, a valuation allowance of \$1,051,973, was recorded to reflect only the portion of the deferred tax assets that is not more likely than not to be realized. The amount of the deferred tax assets considered realizable, however, could be adjusted if estimates of future taxable income during the carry forwards period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

Reconciliation between the provision for income tax computed by applying the statutory tax rate to income before income taxes and the actual provision for income taxes is as follows:

	Year Ended December 31,		
	2011	2012	2013
PRC income tax rate	25.00%	25.00%	25.00%
Goodwill impairment charge not deductible for tax purposes	(23.73)%	—	—
Share based compensation expenses not deductible for tax purposes	(0.77)%	(7.89)%	3.45%
Other expenses not deductible for tax purposes	(0.01)%	(1.34)%	1.12%
Effect of tax holiday	(0.06)%	(5.98)%	(19.06)%
Effect of different tax rate of subsidiary operation in other jurisdiction	—	(0.10)%	0.02%
Effect of different tax rate of DTA and DTL applied	—	0.22%	(4.36)%
Valuation allowance movement	—	(1.73)%	0.42%
Other	0.03%	0.33%	0.11%
	<u>0.46%</u>	<u>8.51%</u>	<u>6.70%</u>

The aggregate amount and per share effect of the tax holiday are as follows:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
The aggregate dollar effect	(269,924)	(2,864,479)	8,725,381
Per share effect—basic	—	(0.02)	0.07
Per share effect—diluted	—	(0.02)	0.07

As of December 31, 2012 and 2013, the Group had tax operating loss carry forwards of \$14,441,322 and \$10,644,703, respectively. These tax losses are available for offset against future profits that may be carried forward until calendar year 2017 and 2018, respectively.

Undistributed earnings of the Company's PRC subsidiaries of approximately \$93,605,179 at December 31, 2013 are considered to be indefinitely reinvested and, accordingly, no provision for PRC

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

dividend withholding tax has been provided thereon. Upon distribution of those earnings generated after January 1, 2008, in the form of dividends or otherwise, the Group would be subject to the then applicable PRC tax laws and regulations. The amounts of unrecognized deferred tax liabilities for these earnings are in the range of \$4,680,259 to \$9,360,518, as the withholding tax rate of the profit distribution will be 5% or 10% depends on whether the immediate offshore companies can enjoy the preferential withholding tax rate of 5%.

Income tax payable balance of the Group represents the actual cash tax payments to be made by the legal entities within the Group. Income tax provision reflected in the Company's consolidated statements of operations is calculated based on a separate return basis as if the Group had filed a separate tax return, which has considered the impact of general corporate expenses allocated from E-House. The difference between the income tax provision on a separate return basis and the tax liability accrued was reflected as deemed distribution to E-House associated with tax liability in the consolidated statements of changes in equity. Such difference amounted to \$1,704,836, \$1,747,590 and \$2,381,799 for the years ended December 31, 2011, 2012 and 2013, respectively.

9. Share-Based Compensation

E-House's Share Incentive Plan (the "E-House Plan")

In 2006, E-House Holdings adopted the E-House Plan, which allows E-House Holdings to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to E-House. Under the E-House Plan, E-House Holdings authorized 3,636,364 ordinary shares, or 5% of the then total shares outstanding, to grant as options or restricted shares over a three-year period. In October 2010, E-House Holdings authorized an increase of 4,013,619 ordinary shares to the award pool. In November 2012, E-House Holdings further authorized an increase of 1,273,000 ordinary shares to the award pool. In August, 2013, E-House Holdings authorized an increase of 6,644,659 ordinary shares to the award pool. Share options granted under the E-House Plan have a ten-year life and can be settled by the employee either by cash or net settled by shares.

Share Options:

During the years ended December 31, 2011, 2012 and 2013, E-House Holdings granted options to certain employees, senior management and independent directors for the purchase of 1,994,000, nil and nil ordinary shares, respectively. The options entitle the option holders to acquire ordinary shares of E-House Holdings at an exercise price \$5.31 per share, based on the fair market value of the ordinary shares at each of the dates of grant. Under the terms of each option plan, options expire 10 years from the date of grant and generally vest over three years.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

E-House Holdings has used the binomial model to estimate the fair value of the options granted under the E-House Plan. The fair value per option was estimated at the date of grant using the following weighted-average assumptions (excludes share option exchange program):

	<u>2011</u>
Average risk-free rate of return	2.54%
Contractual life of option	10 years
Average estimated volatility rate	77.02%
Average dividend yield	4.11%

In connection with its merger with CRIC, E-House Holdings exchanged 15,107,745 of its options ("E-House Replacement Options") at an exercise prices from \$0.72 to \$8.99 under E-House plan for 16,975,028 of options granted under CRIC plan at an exercise prices from \$0.64 to \$8.00 ("CRIC Replaced Options"), with other terms unchanged. As a result, CRIC's Share Incentive Plan (the "CRIC Plan") merged into the E-House Plan and ceased to exist on its own. The incremental compensation cost of \$289,930 was measured as the excess of the fair value of the E-House Replacement Options over the fair value of the CRIC Replaced Options at the exchange date.

E-House Holdings used the binomial model to estimate the fair value of both the E-House Replacement Options and CRIC Replaced Options using the following assumptions:

	<u>E-House Replacement Options</u>	<u>CRIC Replaced Options</u>
Average risk-free rate of return	2.62%	2.62%
Contractual life of option	7.53 years	7.53 years
Average estimated volatility rate	50.42%	54.21%
Average dividend yield	2.03%	—

On May 9, 2012, 396,050 outstanding options granted from September 24, 2009 to October 10, 2011 held by 3 directors of CRIC were modified to be fully vested on the modification date, with other terms unchanged. The unrecognized compensation cost from the initial grant date was immediately expensed.

On May 29, 2012, the exercise price of 4,211,879 outstanding options, previously granted from July 15, 2009 to March 10, 2011, held by 394 employees was reduced from between \$6.75 and \$8.99 to \$5.34, with other terms unchanged. In connection with the above modifications, incremental compensation cost was measured as the excess of the fair value of the modified options over the fair value of the original options immediately before their terms were modified, measured based on the share price and other pertinent factors at the modification date. Total incremental compensation cost was \$1,811,935.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

E-House Holdings used the binomial model to estimate the fair value of the modified options using the following assumptions:

	<u>2012</u>
Average risk-free rate of return	2.78%
Contractual life of option	8.02 years
Average estimated volatility rate	62.23%
Average dividend yield	2.45%

The weighted-average grant-date fair value of options granted during the year ended December 31, 2011 was \$3.31 per share. E-House Holdings recorded compensation expense of \$2,903,861, \$17,157,015 and \$12,817,935 for the years ended December 31, 2011, 2012 and 2013, respectively. During the years ended December 31, 2011, 2012 and 2013, 81,495, 194,721 and 4,596,761 options were exercised having a total intrinsic value of \$422,455, \$436,259 and \$25,248,554 respectively.

A summary of option activity under the E-House Plan during the years ended December 31, 2011, 2012 and 2013 is presented below.

	Number of Options	Weighted Average Exercise Price \$	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value of Options \$
Outstanding, as of January 1, 2011	1,442,075	5.38		
Granted	1,994,000	5.31		
Exercised	(81,495)	5.37		
Forfeited	(22,506)	5.37		
Outstanding, as of January 1, 2012	3,332,074	5.34		
Granted E-House Replacement Options	15,107,745	4.63		
Exercised	(194,721)	2.88		
Forfeited	(325,504)	5.01		
Outstanding, as of January 1, 2013	17,919,594	4.15		—
Granted E-House Replacement Options	—	—		
Exercised	(4,596,761)	3.81		25,248,554
Forfeited	(372,882)	5.03		
Outstanding, as of December 31, 2013	<u>12,949,951</u>	4.25	6.12	140,247,969
Vested and expected to vest as of December 31, 2013	12,896,168	4.25	6.10	139,636,669
Exercisable as of December 31, 2013	10,264,511	4.14	5.70	112,293,747

As of December 31, 2013, there was \$6,003,327 of total unrecognized compensation expense related to unvested share options granted under the E-House Plan. That cost is expected to be recognized over a weighted-average period of 0.72 years.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

Restricted Shares:

E-House Holdings granted 28,000, 1,273,000 and 1,303,000 restricted shares to certain employees, directors and officers in 2011, 2012 and 2013, respectively. Under the terms of each restricted shares, restricted shares vest over three years.

In connection with its merger with CRIC, E-House Holdings exchanged 77,875 of its restricted shares ("E-House Replacement Restricted Shares") under E-House plan for 87,500 of restricted shares granted under CRIC plan ("CRIC Replaced Restricted Shares"), with other terms unchanged. No incremental compensation cost was recognized from the exchange.

	E-House Replacement Restricted Shares	CRIC Replacement Restricted Shares
Average risk-free rate of return	2.43%	2.43%
Contractual life of option	0.85 years	0.85 years
Average estimated volatility rate	50.42%	54.21%
Average dividend yield	2.03%	—

A summary of restricted share activity under the E-House Plan during the years ended December 31, 2011, 2012 and 2013 is presented below:

	Number of Restricted Shares	Weighted Average Grant-date Fair Value \$
Unvested as of January 1, 2011	1,583,035	15.90
Granted	28,000	11.57
Vested	(630,603)	16.21
Forfeited	(61,336)	15.96
Unvested as of January 1, 2012	919,096	15.56
Granted	1,273,000	3.43
Granted E-House Replacement Restricted Shares	77,875	3.47
Vested	(567,489)	16.08
Forfeited	(71,844)	15.81
Unvested as of January 1, 2013	1,630,638	5.32
Granted	1,303,000	10.61
Vested	(769,448)	7.29
Forfeited	(12,506)	14.13
Unvested as of December 31, 2013	<u>2,151,684</u>	7.77

The total fair value of restricted shares vested in 2011, 2012 and 2013 was \$10,219,188, \$9,127,103 and \$5,612,379, respectively.

LEJU HOLDINGS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013****(In U.S. dollar)****9. Share-Based Compensation (Continued)**

As of December 31, 2013, there was \$14,640,782 of total unrecognized compensation expense related to restricted shares granted under the E-House Plan. That cost is expected to be recognized over a weighted-average period of 2.78 years.

E-House recorded compensation expense of \$10,668,117, \$9,348,941 and \$5,668,460, for the years ended December 31, 2011, 2012 and 2013, respectively, related to E-House restricted shares.

CRIC Plan

On September 9, 2008, CRIC adopted the CRIC Plan to provide additional incentives to employees, directors and consultants who render services to CRIC. Under the CRIC Plan, the maximum number of shares that may be issued shall be 15% of the total outstanding shares of CRIC on an as-converted basis assuming all options outstanding were converted into shares as of the effective date of the CRIC Plan, plus an additional number of shares to be added on each of the third, sixth and ninth anniversary of the effective date of the CRIC Plan.

In April 2012, all the options and restricted shares granted under the CRIC Plan were replaced by E-House's options and restricted shares under E-House Plan. After that, there was no compensation cost of the options and restricted shares under CRIC Plan.

Share Options:

During 2011, CRIC granted 8,361,000 options to purchase its ordinary shares to certain of CRIC's employees at an exercise price from \$3.75 to \$7.02 per share pursuant to the CRIC plan. The options expire ten years from the date of grant and vest ratably at each grant date anniversary over a period of two to three years.

CRIC used the binomial model to estimate the fair value of the options granted under the CRIC Plan using the following assumptions:

	<u>2011</u>
Average risk-free rate of return	3.22%
Contractual life of option	10 years
Average estimated volatility rate	70.35%
Average dividend yield	0.00%

The weighted-average grant-date fair value of the options granted in 2011 was \$3.16 per share. CRIC recorded compensation expense of \$18,088,339 and \$8,532,772, for the years ended December 31, 2011 and 2012, respectively.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

A summary of option activity under the CRIC Plan during the years ended December 31, 2011 and 2012 is presented below.

	Number of Options	Weighted Average Exercise Price \$
Outstanding, as of January 1, 2011	10,436,029	3.24
Granted	8,361,000	4.84
Exercised	(702,201)	0.99
Forfeited	(791,763)	3.56
Outstanding, as of January 1, 2012	17,303,065	4.09
Exercised	(200,116)	1.42
Forfeited	(127,921)	4.96
Replaced by E-House options	(16,975,028)	4.12
Outstanding, as of December 31, 2012	—	

The total intrinsic value of options under CRIC Plan exercised was \$2,954,839 and \$750,115, during the years ended December 31, 2011 and 2012, respectively.

Restricted Shares:

A summary of restricted share activity under the CRIC Plan during the years ended December 31, 2011 and 2012 is presented below:

	Number of Restricted Shares	Weighted Average Grant-date Fair Value \$
Unvested as of January 1, 2011	225,000	2.59
Vested	(75,000)	2.59
Forfeited	—	—
Unvested as of January 1, 2012	150,000	2.59
Vested	(62,500)	2.08
Replaced by E-House restricted shares	(87,500)	2.95
Unvested as of December 31, 2012	—	

E-House recorded compensation expense of \$180,322 and \$54,688 for CRIC restricted shares granted to the E-House's employee for the years ended December 31, 2011 and 2012, respectively.

The total fair value of restricted shares vested was \$194,196 and \$130,000 during the years ended December 31, 2011 and 2012, respectively.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)***Share-based compensation expense under E-House Plan and CRIC Plan allocated to the Group***

The share-based compensation expense under E-House Plan and CRIC Plan allocated to the Group was \$13,358,933, \$14,570,467 and \$6,000,438 for the years ended December 31, 2011, 2012 and 2013, respectively. These expenses are part of the selling, general and administrative expenses allocated from E-House, which were waived and have been reflected as capital contributions as of the date such expenses were originally allocated (see Note 13).

Leju Plan

In November 2013, the Group adopted a share incentive plan ("Leju Plan"), which allows the Group to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to the Group. Under the Leju Plan, the maximum number of shares that may be issued shall be 8% of the total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan. Options have a ten-year life.

Share Options:

On December 1, 2013, the Company granted 7,192,000 options to purchase its ordinary shares to certain of the Group's employees and E-House's employees, respectively, at an exercise price \$4.6 per share. The options expire ten years from the date of grant and vest ratably at each grant date anniversary over a period of three years.

On December 16, 2013, the Company granted 600,000 restricted shares to a director and an E-House employee to replace the same number of options previously granted under the Leju plan, with all other terms unchanged. The purchase price of the restricted shares is \$4.6 per share, which was the exercise prices of the options that were replaced. The modification did not result in any incremental compensation expense. Cash received from the advance payment of the restricted shares are recorded as an amount due to related parties as of December 31, 2013.

The Company has used the binomial model to estimate the fair value of the options granted under the Leju Plan. The fair value per option was estimated at the date of grant using the following assumptions:

	<u>2013</u>
Risk-free rate of return	2.98%
Contractual life of option	10 years
Estimated volatility rate	56.74%
Dividend yield	0.00%

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

A summary of option activity under the Leju Plan during the year ended December 31, 2013 is presented below:

	Number of Options	Exercise Price \$	Remaining Contractual Term	Aggregate Intrinsic Value of Options
Outstanding, as of January 1, 2013	—			
Granted	7,192,000	4.60	10.00	
Replaced by Restricted Share	(600,000)	4.60	10.00	
Exercised	—			
Forfeited	—			
Outstanding, as of December 31, 2013	<u>6,592,000</u>	4.60	9.92	—
Vested and expected to vest as of December 31, 2013	<u>6,592,000</u>	4.60	9.92	—
Exercisable as of December 31, 2013	—	—	—	—

The grant-date fair value of the options granted in December was \$2.21 per share. For the year ended December 31, 2013, the Company recorded compensation expenses of \$289,649 for the share options granted to the Group's employees and recorded deemed distribution to E-House of \$92,225 for the share options granted to E-House's employees.

As of December 31, 2013, there was \$13,394,410 of total unrecognized compensation expense related to unvested share options granted under the Leju Plan. That cost is expected to be recognized over a weighted-average period of 2.92 years.

Restricted Shares:

A summary of restricted share activity under the Leju Plan during the year ended December 31, 2013 is presented below:

	Number of Restricted Shares	Grant-date Fair Value \$
Unvested as of January 1, 2013	—	
Converted from option	600,000	2.21
Vested	—	
Forfeited	—	
Outstanding, as of December 31, 2013	<u>600,000</u>	2.21

For the year ended December 31, 2013, the Company recorded compensation expenses of \$20,855 for the restricted shares granted to the Group's employees and recorded deemed distribution to E-House of \$13,903 for the share options granted to E-House's employees.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

9. Share-Based Compensation (Continued)

As of December 31, 2013, there was \$1,141,286 of total unrecognized compensation expense related to unvested restricted shares granted under the Leju Plan. That cost is expected to be recognized over a weighted-average period of 2.92 years.

Other Equity Compensation

In August 2011, the Group signed employee equity compensation arrangements with three senior managers of Beijing Advertisement. Under the agreement, the managers received a 3.5% equity interest of Beijing Advertisement. The award vests over a 16 month service period, starting September 2011. The fair value of Beijing Advertisement was calculated using the discounted cash flow method, under the income approach. The 3.5% equity interest in Beijing Advertisement was valued at \$731,676. The Group recorded \$182,918, \$563,109 and nil as compensation expense for the years ended December 31, 2011, 2012 and 2013, respectively. As of December 31, 2013, there was no unrecognized compensation expense related to this compensation agreement.

10. Employee Benefit Plans

The Group's PRC subsidiaries and VIEs are required by law to contribute a certain percentages of applicable salaries for retirement benefits, medical insurance benefits, housing funds, unemployment and other statutory benefits. The PRC government is directly responsible for the payments of such benefits. The Group contributed \$8,497,700, \$13,475,405, and \$14,174,182 for the years ended December 31, 2011, 2012 and 2013, respectively, for such benefits.

11. Distribution of Profits

Relevant PRC statutory laws and regulations permit payment of dividends by the Group's PRC subsidiaries and VIEs only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of the Group's PRC subsidiaries and VIEs is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Each of the Group's subsidiaries with foreign investment is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund at the discretion of the board. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends, loans or advances except in the event of liquidation of these subsidiaries.

The amount of the reserve fund for the Group as of December 31, 2012 and 2013 was \$2,461,706 and \$5,058,900, respectively.

As a result of these PRC laws and regulations, the Group's PRC subsidiaries and VIEs are restricted in their ability to transfer a portion of their net assets, including general reserve and registered capital, either in the form of dividends, loans or advances. Such restricted portion amounted to \$22,613,033 and \$30,210,227, of which \$7,906,398 and \$8,228,655 was attributed to general reserve and registered capital of the VIEs, as of December 31, 2012 and 2013, respectively.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

12. Segment Information

The Group operates and manages its business as a single segment. The Group uses the management approach to determine operating segments. The management approach considers the internal organization and reporting used by the Group's chief operating decision maker ("CODM") for making decisions, allocating resources and assessing performance. The Group's CODM has been identified as the chief executive officer, who reviews the consolidated results of the Group as a whole when making decisions about allocating resources and assessing performance.

The following table summarizes the revenue information of the Group:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
E-commerce	—	26,995,814	170,204,545
Online advertising	132,076,188	138,767,288	145,444,790
Listing	5,014,575	5,532,864	19,772,181
	<u>137,090,763</u>	<u>171,295,966</u>	<u>335,421,516</u>

Geographic

Substantially all of the Group's revenues from external customers and long-lived assets are located in the PRC.

Major customers

There were no customers from whom revenue accounted for 10% or more of total revenue for the years ended December 31, 2011, 2012 and 2013, respectively.

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

	As of December 31,	
	2012	2013
	\$	\$
Customer A	13,664,952	13,294,502

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

13. Related Party Balances and Transactions

The table below sets forth major related parties and their relationships with the Group:

<u>Company Name</u>	<u>Relationship with the Group</u>
E-House	Under the common control of E-House Holdings
SINA	Mr. Charles Chao, co-chairman of E-House, is SINA's chairman and chief executive officer
Beijing China Real Estate Research Association Technology Ltd. ("CRERAT")	Mr. Xin Zhou, co-chairman and chief executive officer of E-House, is the legal representative of CRERAT, and E-House owns 51% of CRERAT

These consolidated financial statements include transactions with E-House and its subsidiaries. Furthermore, E-House provided certain corporate services for the consolidated financial statement periods presented. During the years ended December 31, 2011, 2012 and 2013, E-House waived net receivables from the Group of \$20,178,276, \$21,560,829 and \$15,527,623 respectively, which the Group has reflected as a capital contribution.

During the years ended December 31, 2011, 2012 and 2013, E-House loaned \$10,649,904, \$1,500,000 and \$1,000, respectively, to fund capital injections into the Group's PRC subsidiaries. Such amounts have been waived by E-House and have been reflected as capital contributions as of the date such loans were originally made.

During the years ended December 31, 2011, 2012 and 2013, significant related party transactions were as follows:

	<u>Year Ended December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	\$	\$	\$
Corporate expenses allocated from E-House	20,178,276	21,560,829	15,527,623
Online advertising agency fee recognized as cost of revenues purchased from SINA	3,462,672	5,145,039	6,033,036
Services purchased from/rental paid to E-House	6,395,157	1,802,101	949,584
Services purchased from CRERAT	734,897	476,706	—
Online advertising services provided to E-House	638,379	1,540,073	10,614
Online advertising services provided to SINA	171,211	1,855	—

The transactions are measured at the amount of consideration established and agreed to by the related parties, which approximate amounts charged to third parties.

As at December 31, 2013, amounts due from related parties were \$3,471,958, which was primarily for revenues collected by E-House on behalf, and partially offset by loans from E-House for general working capital requirements.

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

13. Related Party Balances and Transactions (Continued)

As at December 31, 2012 and 2013, amounts due to related parties were comprised of the following:

	As of December 31,	
	2012	2013
	\$	\$
SINA ⁽¹⁾	2,505,618	1,741,371
E-House ⁽²⁾	79,553,723	—
CRERAT ⁽³⁾	1,083,515	—
Management ⁽⁴⁾	—	1,656,000
E-House Management ⁽⁴⁾	—	1,104,000
Total	<u>83,142,856</u>	<u>4,501,371</u>

- (1) The amount due to SINA as of December 31, 2012 and 2013 represents online advertising agency fees payable to SINA.
- (2) The amount due to E-House as of December 31, 2012 was primarily for the loans from E-House for general working capital requirements, and partially offset by the amount due to online services provided to E-House and revenues collected by E-House on behalf. The balance is interest free and settable on demand.
- (3) The amount due to CRERAT as of December 31, 2012 was primarily for services purchased from the entity.
- (4) The amount due to management/ E-House management represents consideration paid by management/ E-House management for unvested restricted shares (see Note 9).

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

13. Related Party Balances and Transactions (Continued)

The rollforward of the payable (receivable) balance with E-House for the years ended December 31, 2011, 2012 and 2013 is as follows:

	Year Ended December 31,		
	2011	2012	2013
	\$	\$	\$
Balance at January 1	47,920,441	60,900,414	79,553,723
Loans from (Refund to) E-House for working capital	16,187,160	19,761,083	(43,818,894)
Loans from E-House for capital contribution	10,649,904	1,500,000	1,000
Corporate expenses allocated from E-House	20,178,276	21,560,829	15,527,623
Revenues collected by E-House on behalf of the Company	(4,867,401)	(433,290)	(45,449,972)
Related party balance waived as capital contribution	(30,828,180)	(23,060,829)	(15,528,623)
Service provided to E-House	(638,379)	(1,540,073)	(10,614)
Service purchased from E-House	6,395,157	1,802,101	949,584
Net payment for services	(4,096,564)	(936,512)	5,304,215
Balance at December 31	<u>60,900,414</u>	<u>79,553,723</u>	<u>(3,471,958)</u>

14. Commitments and Contingencies**(a) Operating lease commitments**

The Group has operating lease agreements principally for its office properties in the PRC. Such leases have remaining terms ranging from one to 34 months and are renewable upon negotiation. Rental expenses were \$4,946,292, \$7,783,909 and \$7,669,866, for the years ended December 31, 2011, 2012 and 2013, respectively.

Future minimum lease payments under non-cancelable operating lease agreements at December 31, 2013 were as follows:

Year Ended December 31	Amount
	\$
2014	7,322,270
2015	3,125,045
2016	1,828,157
2017	356,207
2018	338,496
Total	<u>12,970,175</u>

LEJU HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

(In U.S. dollar)

14. Commitments and Contingencies (Continued)

(b) Contingencies

The Group is subject to claims and legal proceedings that arise in the ordinary course of its business. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be decided unfavorably to the Group. The Group does not believe that any of these matters will have a material effect on its business, assets or operations.

15. Subsequent Events

In January 2014, the Group entered into an equity transfer agreement with two individual shareholders of Beijing Lotta Times Advertising Co., Ltd ("Beijing Lotta"), a subsidiary of Beijing Leju, to purchase the remaining 40% shares of Beijing Lotta that it didn't already own with a total consideration of US\$16.4 million (RMB100 million). After the acquisition, Beijing Lotta becomes a wholly-owned subsidiary of the Group. As the Group retains the controlling interest in Beijing Lotta before and after the acquisition, the acquisition is accounted for as an equity transaction. Therefore, no gain or loss will be recognized in consolidated statement of operations.

In March 2014, the advertising agency agreement and license agreements originally signed between Leju and SINA in August 2009 were extended an additional five years to March 2024 for no additional consideration. All other terms of the agreements remain the same.



A Leading Online-to-Offline Real Estate Services Provider in China



American Depositary Shares
Representing Ordinary Shares



Leju Holdings Limited

Credit Suisse

J.P. Morgan

China Renaissance

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The new articles of association that we expect to adopt to become effective upon the completion of this offering provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such only if they acted honestly and in good faith with a view to the best interests of our company and, in the case of criminal proceedings, only if they had no reasonable cause to believe that their conduct was unlawful.

Pursuant to the indemnification agreements the form of which is filed as Exhibit 10.2 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

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

Item 7. Recent Sales of Unregistered Securities.

Upon incorporation, we had 500,000,000 ordinary shares authorized, 50,000 ordinary shares issued and outstanding with a par value of \$1.00 per share, all of which were held by E-House. On December 19, 2013, the Company effected a 1:1,000 share split, resulting in us having 50,000,000 ordinary shares issued and outstanding with a par value of \$0.001 per share. We also issued an additional 70,000,000 ordinary shares to E-House for par value, or \$70,000. As a result, we have 120,000,000 ordinary shares issued and outstanding, all of which are held by E-House.

On December 1, 2013 we granted an aggregate total of 7,192,000 options to certain of our directors, officers and employees as well as some of the directors and officers of E-House at an exercise price of \$4.60 per share pursuant to our share incentive plan. On December 16, 2013, we replaced 600,000 options granted to one of our senior management and one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged. On January 21, 2014, we replaced 60,000 options granted to one E-House employee with the same number of restricted shares, with all other substantive terms remaining unchanged.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits

See Exhibit Index beginning on page II-5 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

Item 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, China, on March 12, 2014.

LEJU HOLDINGS LIMITED

By: /s/ YINYU HE

Name: Yinyu He

Title: Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Yinyu He and Min Chen as attorneys-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ YINYU HE</u> Yinyu He	Chief Executive Officer (Principal Executive Officer)	March 12, 2014
<u>/s/ MIN CHEN</u> Min Chen	Chief Financial Officer (Principal Financial and Accounting Officer)	March 12, 2014
<u>/s/ XIN ZHOU</u> Xin Zhou	Director	March 12, 2014
<u>/s/ LI-LAN CHENG</u> Li-Lan Cheng	Director	March 12, 2014
<u>/s/ CANHAO HUANG</u> Canhao Huang	Director	March 12, 2014

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Leju Holdings Limited has signed this registration statement or amendment thereto in New York on March 12, 2014.

Authorized U.S. Representative

By: /s/ DIANA ARIAS

Name: Diana Arias, on behalf of Law Debenture Corporate
Services Inc.

Title: Service of Process Officer

Leju Holdings Limited**EXHIBIT INDEX**

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Amended and Restated Memorandum and Articles of Association of the Registrant (effective upon the closing of this offering)
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipts
5.1	Opinion of Maples & Calder regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1*	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain U.S. tax matters
8.2	Opinion of Maples & Calder regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
10.1	2013 Share Incentive Plan
10.2	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.3	Form of Employment Agreement between the Registrant and its executive officers
10.4	English translation of Exclusive Call Option Agreement dated September 10, 2011 between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Zuyu Ding
10.5	English translation of Loan Agreement dated September 10, 2011 between Shanghai SINA Leju Information Technology Co., Ltd., Xudong Zhu and Zuyu Ding
10.6	English translation of Shareholder Voting Rights Proxy Agreement dated September 10, 2011 between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Zuyu Ding
10.7	English translation of Power of Attorney dated September 10, 2011 issued by Xudong Zhu to Xin Zhou
10.8	English translation of Power of Attorney dated September 10, 2011 issued by Zuyu Ding to Xin Zhou
10.9	English translation of Equity Pledge Agreement dated September 10, 2011 between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Zuyu Ding
10.10	English translation of Exclusive Technical Support Agreement dated May 8, 2008 between Shanghai SINA Leju Information Technology Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd.

<u>Exhibit Number</u>	<u>Description of Document</u>
10.11	English translation of Exclusive Call Option Agreement, dated December 5, 2011, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.12	English translation of Loan Agreement, dated September 20, 2011, between Shanghai Yi Yue Information Technology Co. Ltd., Zuyu Ding and Weijie Ma
10.13	English translation of Shareholder Voting Right Proxy Agreement, dated December 5, 2011, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.14	English translation of Power of Attorney dated December 5, 2011 issued by Zuyu Ding to Xin Zhou
10.15	English translation of Power of Attorney dated December 5, 2011 issued by Weijie Ma to Xin Zhou
10.16	English translation of Equity Pledge Agreement, dated December 5, 2011, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.17	English translation of Exclusive Technical Support Agreement, dated December 5, 2011, between Shanghai Yi Yue Information Technology Co. Ltd. and Shanghai Yi Xin E-Commerce Co., Ltd.
10.18	English translation of Exclusive Call Option Agreement, dated April 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.19	English translation of Loan Agreement, dated February 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Zuyu Ding and Weijie Ma
10.20	English translation of Shareholder Voting Right Proxy Agreement, dated April 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.21	English translation of Power of Attorney dated April 1, 2012 issued by Zuyu Ding to Xin Zhou
10.22	English translation of Power of Attorney dated April 1, 2012 issued by Weijie Ma to Xin Zhou
10.23	English translation of Equity Pledge Agreement, dated April 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma
10.24	English translation of Exclusive Technical Support Agreement, dated April 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd. and Beijing Jiajujiu E-Commerce Co., Ltd.
10.25	English translation of Advertising Inventory Sale Agency Agreement, dated March 7, 2014, between SINA Corporation and Leju Holdings Limited.
10.26	Amended and Restated Domain Name and Content License Agreement, dated March 7, 2014, between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd.

<u>Exhibit Number</u>	<u>Description of Document</u>
10.27	Amended and Restated Trademark License Agreement, dated March 7, 2014, between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd.
10.28	Amended and Restated Software License and Support Services Agreement, dated March 7, 2014, between SINA.com Technology (China) Co. Ltd. and Shanghai SINA Leju Information Technology Co., Ltd.
10.29	Master Transaction Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited.
10.30	Offshore Transitional Services Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited.
10.31	Non-Competition Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited.
10.32	English translation of Onshore Transitional Services Agreement, dated March 2014, between Shanghai Real Estate Sales (Group) Co., Ltd. and certain subsidiaries of the Registrant
10.33	English translation of Onshore Cooperation Agreement, dated March 2014, by and among Shanghai Real Estate Sales (Group) Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Beijing Jiajuju E-Commerce Co., Ltd.
10.34	English translation of Internet Channel Cooperation Agreement, dated April 29, 2010, between Beijing Baidu Netcom Science and Technology Co., Ltd., China Online Housing (Hong Kong) Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd.
10.35	English translation of Further Strategic Cooperation Agreement, dated June 2011, between Beijing Yisheng Leju Information Services Co., Ltd. and Beijing Baidu Netcom Science and Technology Co., Ltd.
10.36	English translation of Supplement to Further Strategic Cooperation Agreement and the Cooperation Agreement between Beijing Yisheng Leju Information Services Co., Ltd. and Beijing Baidu Netcom Science and Technology Co., Ltd.
21.1	Principal Subsidiaries of the Registrant
23.1	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm
23.2	Consent of Maples & Calder (included in Exhibit 5.1)
23.3*	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)
23.4	Consent of Fangda Partners (included in Exhibit 99.2)
23.5	Consent of Jones Lang LaSalle Corporate Appraisal and Advisory Limited
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Opinion of Fangda Partners regarding certain PRC law matters
99.3	Registrant's Waiver Request and Representation under Item 8.A.4

* To be filed by amendment.

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
Leju Holdings Limited
樂居控股有限公司
Incorporated on 19 November 2013
INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES LAW (2013 Revision)
Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

Leju Holdings Limited
樂居控股有限公司

1. The name of the Company is Leju Holdings Limited **樂居控股有限公司**.
2. The Registered Office of the Company shall be at the offices of Offshore Incorporations (Cayman) Limited, Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

1

- (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.
- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the

same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Except as prohibited or limited by the Companies Law (2013 Revision), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.
5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
6. The share capital of the Company is US\$500,000 divided into 500,000,000 shares of a nominal or par value of US\$0.001 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of Association, the Company shall have no power to issue bearer shares, warrants, coupons or certificates.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2013 Revision) and, subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

We, the undersigned, are desirous of being formed into a Company pursuant to this Memorandum of Association and the Companies Law (2013 Revision), and we hereby agree to take the numbers of shares set opposite our name below.

Signature, Name, Occupation, and Address of Subscriber	Number of Shares Taken by Each Subscriber
For and on behalf of Offshore Incorporations (Cayman) Limited Corporation of Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands	ONE
(Sd.) Authorised Signatory	

DATED 19 NOV 2013

WITNESS to the above signature :-

(Sd.) Andria Bell
of Floor 4, Willow House,
Cricket Square,
P O Box 2804,
Grand Cayman KY1-1112,
Cayman Islands

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG. _____

Date: 19th-November-2013

4

THE COMPANIES LAW (2013 Revision)
Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

Leju Holdings Limited
樂居控股有限公司

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith,
- | | |
|--------------|---|
| “Articles” | means the Articles as originally framed or as from time to time altered by Special Resolution. |
| “Auditors” | means the persons for the time being performing the duties of auditors of the Company. |
| “Company” | means the above named Company. |
| “debenture” | means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not. |
| “Directors” | means the directors for the time being of the Company. |
| “dividend” | includes bonus. |
| “fully paid” | shall bear the meaning as ascribed to it in the Statute. |
| “Member” | shall bear the meaning as ascribed to it in the Statute. |
| “month” | means calendar month. |
| “paid-up” | means paid-up and/or credited as paid-up. |

5

- | | |
|----------------------------|--|
| “registered office” | means the registered office for the time being of the Company. |
| “Seal” | means the common seal of the Company and includes every duplicate seal. |
| “Secretary” | includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company. |
| “share” | includes a fraction of a share. |
| “Special Resolution” | has the same meaning as in the Statute and includes a resolution approved in writing as described therein. |
| “Statute” | means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force. |
| “written” and “in writing” | include all modes of representing or reproducing words in visible form. |

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons only include corporations.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the shares may have been allotted.
3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

CERTIFICATES FOR SHARES

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of

the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Directors may authorise certificates to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.

5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

6

ISSUE OF SHARES

6. Subject to the provisions, if any, in that behalf in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.
7. The Company shall maintain a register of its Members and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US\$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.

TRANSFER OF SHARES

8. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.
9. The Directors may in their absolute discretion decline to register any transfer of shares without assigning any reason therefor. If the Directors refuse to register a transfer they shall notify the transferee within two months of such refusal.
10. The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.

REDEEMABLE SHARES

11. (a) Subject to the provisions of the Statute and the Memorandum of Association, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine and the rights attaching to any issued shares may, subject to the provisions of these Articles, by special resolution, be varied so as to provide that such shares are to be or are liable to be so redeemed.

7

(b) Subject to the provisions of the Statute and the Memorandum of Association, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, provided that the manner of purchase has first been authorised by the Company in general meeting and may make payment therefor in any manner authorised by the Statute, including out of capital and provided that the Company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the Company other than shares held as treasury shares.

12. Subject to the provisions of these Articles, the manner and any of the terms of any such redemption or purchase of shares may be determined by either the Company by ordinary resolution or by the Directors. The Company may make a payment in respect of the redemption or purchase of its own shares otherwise than out of its profits, share premium account, or the proceeds of a fresh issue of shares.

TREASURY SHARES

13. The Company may, subject to the provisions of the Law, acquire, hold and dispose of its own shares as treasury shares.

VARIATION OF RIGHTS OF SHARES

14. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

15. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

COMMISSION ON SALE OF SHARES

16. The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

8

NON-RECOGNITION OF TRUSTS

17. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

18. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.
19. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder or holders for the time being of the share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.
20. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
21. The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALL ON SHARES

22. (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the shares. A call may be revoked or postponed as the Directors may determine. A call may be made payable by instalments.
- (b) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

9

(c) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23. If a sum called in respect of a share is not paid before or on a day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.
24. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.
26. (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven per cent per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.
- (b) No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

27. (a) If a Member fails to pay any call or instalment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, instalment or payment remains unpaid, give notice requiring

payment of so much of the call, instalment or payment as is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.

- (b) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

10

- (c) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

28. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the shares.
29. A certificate in writing under the hand of one Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
30. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

31. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

32. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.
33. (a) Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.

11

- (b) If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

34. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company PROVIDED HOWEVER that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION, CHANGE OF LOCATION OF REGISTERED OFFICE & ALTERATION OF CAPITAL

35. (a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by ordinary resolution alter or amend its Memorandum of Association otherwise than with respect to its name and objects and may, without restricting the generality of the foregoing:
- (i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value;

- (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- (b) All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
- (c) Subject to the provisions of the Statute, the Company may by Special Resolution change its name or alter its objects.
- (d) Without prejudice to Article 11 hereof and subject to the provisions of the Statute, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.
- (e) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its registered office.

12

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

- 36. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors of the Company may provide that the register of Members shall be closed for transfers for a stated period but not to exceed in any case 40 days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members such register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.
- 37. In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.
- 38. If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETING

- 39. (a) Subject to paragraph (c) hereof, the Company shall within one year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning.
- (b) At these meetings the report of the Directors (if any) shall be presented.
- (c) If the Company is exempted as defined in the Statute it may but shall not be obliged to hold an annual general meeting.
- 40. (a) The Directors may whenever they think fit, and they shall on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company.
- (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.

13

- (c) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.
- (d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

- 41. At least five days notice shall be given of an annual general meeting or any other general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company PROVIDED that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Article 40 have been complied with, be deemed to have been duly convened if it is so agreed:
 - (a) in the case of a general meeting called as an annual general meeting by all the Members entitled to attend and vote thereat or their proxies; and
 - (b) in the case of any other general meeting by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 75 per cent in nominal value or in the case of shares without nominal or par value 75 per cent of the shares in issue, or their proxies.

42. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

43. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; two Members present in person or by proxy shall be a quorum provided always that if the Company has one Member of record the quorum shall be that one Member present in person or by proxy.
44. A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
45. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.

14

46. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
47. If at any general meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.
48. The Chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.
49. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or any other Member present in person or by proxy.
50. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's Minute Book containing the Minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
51. The demand for a poll may be withdrawn.
52. Except as provided in Article 54, if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
53. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the general meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
54. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the general meeting directs and any business other than that upon which a poll has been demanded or is contingent thereon may be proceeded with pending the taking of the poll.

15

VOTES OF MEMBERS

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member of record present in person or by proxy at a general meeting shall have one vote and on a poll every Member of record present in person or by proxy shall have one vote for each share registered in his name in the register of Members.
56. In the case of joint holders of record the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.
57. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.
58. No Member shall be entitled to vote at any general meeting unless he is registered as a shareholder of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
59. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.

60. On a poll or on a show of hands votes may be given either personally or by proxy.

PROXIES

61. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised in that behalf. A proxy need not be a Member of the Company.
62. The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting, or adjourned meeting provided that the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex, cable or telecopy confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.
63. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

16

64. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.
65. Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.
66. Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

DIRECTORS

67. There shall be a Board of Directors consisting of not less than one or more than twelve persons (exclusive of alternate Directors) PROVIDED HOWEVER that the Company may from time to time by ordinary resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the subscribers of the Memorandum of Association or a majority of them.
68. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.
69. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.
70. A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
71. A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

17

72. A shareholding qualification for Directors may be fixed by the Company in general meeting, but unless and until so fixed no qualification shall be required.
73. A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
74. No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid PROVIDED HOWEVER that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon.
75. A general notice that a Director or alternate Director is a shareholder of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 74 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

ALTERNATE DIRECTORS

76. Subject to the exception contained in Article 84, a Director who expects to be unable to attend Directors' Meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall *ipso facto* vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

POWERS AND DUTIES OF DIRECTORS

77. The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed) who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not, from time to time by the Statute, or by these Articles, or such regulations, being not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting PROVIDED HOWEVER that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

18

78. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
79. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
80. The Directors shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
81. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
82. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

MANAGEMENT

83. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- (b) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

19

- (c) The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (d) Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

MANAGING DIRECTORS

84. The Directors may, from time to time, appoint one or more of their body (but not an alternate Director) to the office of Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a Director and no alternate Director appointed by him can act in his stead as a Director or Managing Director.

85. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

86. Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, the vote of an alternate Director not being counted if his appointor be present at such meeting. In case of an equality of votes, the Chairman shall have a second or casting vote.
87. A Director or alternate Director may, and the Secretary on the requisition of a Director or alternate Director shall, at any time summon a meeting of the Directors by at least two days notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held and PROVIDED FURTHER if notice is given in person, by cable, telex or teletype the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organisation as the case may be. The provisions of Article 42 shall apply *mutatis mutandis* with respect to notices of meetings of Directors.
88. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two, a Director and his appointed alternate Director being considered only one person for this purpose, PROVIDED ALWAYS that if there shall at any time be only a sole Director the quorum shall be one. For the purposes of this Article an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

20

89. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
90. The Directors may elect a Chairman of their Board and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
91. The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors (including Alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
92. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.
93. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.
94. Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.
95. (a) A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.
- (b) The provisions of Articles 61-64 shall *mutatis mutandis* apply to the appointment of proxies by Directors.

VACATION OF OFFICE OF DIRECTOR

96. The office of a Director shall be vacated:
- (a) if he gives notice in writing to the Company that he resigns the office of Director;

21

- (b) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office;
- (c) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) if he is found a lunatic or becomes of unsound mind.

APPOINTMENT AND REMOVAL OF DIRECTORS

97. The Company may by ordinary resolution appoint any person to be a Director and may in like manner remove any Director and may in like manner appoint another person in his stead.

98. The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total amount of Directors (exclusive of alternate Directors) shall not at any time exceed the number fixed in accordance with these Articles.

PRESUMPTION OF ASSENT

99. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

SEAL

100. (a) The Company may, if the Directors so determine, have a Seal which shall, subject to paragraph (c) hereof, only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for the purpose.
- (b) The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- (c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.
- (d) A document to be executed as a Deed shall be executed by a Director or other person authorised by the Directors for that purpose.

OFFICERS

101. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

102. Subject to the Statute, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorise payment of the same out of the funds of the Company lawfully available therefore.
103. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.
104. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised, or out of the share premium account or as otherwise permitted by the Statute.
105. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of shares they shall be declared and paid according to the amounts paid or credited as paid on the shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles but no amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
106. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
107. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
108. Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.
109. No dividend or distribution shall bear interest against the Company.

CAPITALISATION

110. The Company may upon the recommendation of the Directors by ordinary resolution authorise the Directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

111. The Directors shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

112. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
113. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

114. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.

115. The Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.
116. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
117. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

NOTICES

118. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex or telecopy to him or to his address as shown in the register of Members, such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands.
119. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of 60 hours after the letter containing the same is posted as aforesaid.
- (b) Where a notice is sent by cable, telex, telecopy or electronic message, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organisation and to have been effected on the day the same is sent as aforesaid.
120. A notice may be given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the register of Members in respect of the share.
121. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
122. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every person shown as a Member in the register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members.

- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting; and

No other person shall be entitled to receive notices of general meetings.

WINDING UP

123. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
124. If the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

INDEMNITY

125. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such Director, Officer or trustee.

FINANCIAL YEAR

126. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

AMENDMENTS OF ARTICLES

127. Subject to the Statute, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

TRANSFER BY WAY OF CONTINUATION

128. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

For and on behalf of
Offshore Incorporations (Cayman) Limited Corporation
of Floor 4, Willow House,
Cricket Square,
P O Box 2804,
Grand Cayman KY1-1112,
Cayman Islands

(Sd.) Authorised Signatory

DATED 19 NOV 2013

WITNESS to the above signature :-

(Sd.) Andria Bell
of Floor 4, Willow House,
Cricket Square,

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG. _____
(Sd.) V. Daphene Whitelocke
Assistant Registrar

Date: 19th-November-2013

**THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

LEJU HOLDINGS LIMITED

□□□□□□□□

*(Adopted by a Special Resolution passed on March 10, 2014 and
effective conditional and immediately upon completion of the Company's initial public offering of ordinary shares represented by American Depositary Shares)*

The name of the Company is Leju Holdings Limited □□□□□□□□.

The registered office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place as the Directors may from time to time decide.

The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2013 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

The authorized share capital of the Company is US\$1,000,000 divided into 1,000,000,000 shares of a nominal or par value of US\$0.001 each. The Company has the power to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

The Company has the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

**THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

LEJU HOLDINGS LIMITED

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*(Adopted by a Special Resolution passed on March 10, 2014 and
effective conditional and immediately upon completion of the Company's initial public offering of ordinary shares represented by American Depositary Shares)*

INTERPRETATION

1. In these Articles, Table A in the Schedule in the Companies Law does not apply and unless otherwise defined, the defined terms shall have the meanings assigned to them as follows:

“AFFILIATE”	with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control, with such specified Person;
“ARTICLES”	these Articles of Association of the Company as altered or added to, from time to time;
“BOARD”	the board of Directors for the time being of the Company;
“BUSINESS DAY”	a day (excluding Saturdays or Sundays), on which banks in Hong Kong, Beijing and New York are open for general banking business throughout their normal business hours;
“CHAIRMAN”	the chairman presiding at any meeting of members or of the Board;
“COMMISSION”	Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
“COMPANIES LAW”	the Companies Law (2013 Revision) of the Cayman Islands and any statutory amendment or re-enactment

thereof. Where any provision of the Companies Law is referred to, the reference is to that provision as amended by any law for the time being in force;

“COMPANY”	Leju Holdings Limited [REDACTED], a Cayman Islands company limited by shares;
“COMPANY’S WEBSITE”	the website of the Company, the address or domain name of which has been notified to Members;
“DIRECTORS”, “BOARD OF DIRECTORS” and “BOARD”	the directors of the Company for the time being, or as the case may be, the Directors assembled as a Board or as a committee thereof;

2

“ELECTRONIC”	the meaning given to it in the Electronic Transactions Law;
“ELECTRONIC COMMUNICATION”	electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
“ELECTRONIC TRANSACTIONS LAW”	Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“IN WRITING”	includes writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on Members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;
“MEMBER”	the meaning given to it in the Companies Law;
“MEMORANDUM OF ASSOCIATION”	the Memorandum of Association of the Company, as amended and re-stated from time to time;
“MONTH”	calendar month;
“ORDINARY RESOLUTION”	a resolution: (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being an organization, by its duly authorized representative or, where proxies are allowed, by proxy at a general meeting of the Company; or (b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;
“PAID UP”	paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;
“PERSON”	any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under section 13(d)(3) of the Securities Exchange Act;
“REGISTER OF MEMBERS”	the register of Members maintained in accordance with the Companies Law and includes (except where otherwise stated) any branch or duplicate register of Members;
“SEAL”	the Common Seal of the Company (if adopted) including every duplicate seal and any facsimile thereof;

3

“SECURITIES ACT”	the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
“SECURITIES EXCHANGE ACT”	the Securities Exchange Act of 1934 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
“SHARE”	any share in the capital of the Company and includes a fraction of a share;
“SIGNED”	includes a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
“SPECIAL RESOLUTION”	the meaning given to it in the Companies Law and includes a unanimous written resolution;

“STATUTES”	the Companies Law and every other laws and regulations of the Cayman Islands for the time being in force concerning companies and affecting the Company;
“SUBSIDIARIES”	with respect to any Person, any or all corporations, partnerships, limited liability companies, joint ventures, associations and other entities controlled by such person directly or indirectly through one or more intermediaries; and
“YEAR”	calendar year.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender;
- (c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
- (d) “MAY” shall be construed as permissive and “SHALL” shall be construed as imperative;
- (e) a reference to a dollar or dollars (or \$) is a reference to dollars of the United States;
- (f) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
- (g) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (h) Section 8 and 19 (3) of the Electronic Transactions Law shall not reply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The registered office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

ISSUE OF SHARES

6. Subject to the provisions, if any, in the Memorandum of Association, these Articles and to any direction that may be given by the Company in a general meeting, the Directors may, in their absolute discretion and without approval of the existing Members, issue Shares, grant rights over existing shares or issue other securities in one or more classes or series as they deem necessary and appropriate and determine designations, powers, preferences, privileges and other rights, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the Shares held by existing Members, at such times and on such other terms as they think proper. The Company shall not issue shares in bearer form.

6A The Directors may provide, out of the unissued Shares, for series of preferred shares. Before any preferred shares of any such series are issued, the Directors shall fix, by resolution or resolutions, the following provisions of the preferred shares thereof:

- (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
- (b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
- (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of preferred shares;
- (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
- (e) the amount or amounts payable upon preferred shares of such series upon, and the rights of the holders of such series in, a voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Company;
- (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
- (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

- (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing Shares or shares of any other class of shares or any other series of preferred shares;

- (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
- (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

Without limiting the foregoing and subject to Article 78, the voting powers of any series of preferred shares may include the right, in the circumstances specified in the resolution or resolutions providing for the issuance of such preferred shares, to elect one or more Directors who shall serve for such term and have such voting powers as shall be stated in the resolution or resolutions providing for the issuance of such preferred shares. The term of office and voting powers of any Director elected in the manner provided in the immediately preceding sentence of this Article 6A may be greater than or less than those of any other Director or class of Directors.

- 6B The powers, preferences and relative, participating, optional and other special rights of each series of preferred shares, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of preferred shares shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

REGISTER OF MEMBERS AND SHARE CERTIFICATES

7. The Company shall maintain a Register of Members and a Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates (if any) shall specify the share or shares held by that person and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the register.
8. All share certificates shall bear legends required under the applicable laws, including the Securities Act.
9. Any two or more certificates representing shares of any one class held by any Member may at the Member's request be cancelled and a single new certificate for such shares issued in lieu on payment (if the Directors shall so require) of US\$1.00 or such smaller sum as the Directors shall determine.
10. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the relevant member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
11. In the event that shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

TRANSFER OF SHARES

12. (a) Shares are transferable subject to the approval of the Board or the written consent of a Director authorized by the Board in writing to approve share transfers and the Board may, in its sole discretion, decline to register any transfer of any share which is not fully paid up or on which the Company has a lien.
- (b) The Directors may also decline to register any transfer of any share unless:

- (i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (ii) the instrument of transfer is in respect of only one class of shares;
- (iii) the instrument of transfer is properly stamped, if required;
- (iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (v) the shares conceded are free of any lien in favor of us; or
- (vi) a fee of such maximum sum as the New York Stock Exchange may determine to be payable, or such lesser sum as the Board may from time to time require, is paid to the Company in respect thereof.
- (c) If the Directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.
13. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the Register of Members closed at such times and for such periods as the Board may from time to time determine, provided, however, that the

registration of transfers shall not be suspended nor the Register of Members closed for more than 30 days in any year.

14. The instrument of transfer of any share shall be in writing and executed by or on behalf of the transferor (and if the Directors so require, signed by the transferee). The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members.
15. All instruments of transfer that shall be registered shall be retained by the Company.

REDEMPTION, PURCHASE AND SURRENDER OF OWN SHARES

16. Subject to the provisions of the Statutes and these Articles, the Company may:
 - (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member and the redemption of shares shall be effected on such terms and in such manner as the Board may, before the issue of such shares, determine;
 - (b) purchase its own shares (including any redeemable shares) provided that the Members shall have approved the manner of purchase by ordinary resolution or the manner of purchase is in accordance with the Articles 17 and 17A (this authorisation is in accordance with section 37(2) of the Statutes or any modification or re-enactment thereof for the time being in force);
 - (c) the Company may make a payment in respect of the redemption or purchase of its own shares in any manner permitted by the Statutes, including out of capital; and
 - (d) the Board may accept the surrender for no consideration of any fully paid share.
17. Purchase of shares listed on the New York Stock Exchange: the Company is authorised to purchase any Share listed on the New York Stock Exchange in accordance with the following manner of purchase:
 - (a) the maximum number of shares that may be repurchased shall be equal to the number of issued and outstanding shares less one Share; and

7

- (b) the repurchase shall be at such time; at such price and on such other terms as determined and agreed by the Board in their sole discretion provided however that:
 - (i) such repurchase transactions shall be in accordance with the relevant code, rules and regulations applicable to the listing of the shares on the New York Stock Exchange; and
 - (ii) at the time of the repurchase, the Company is able to pay its debts as they fall due in the ordinary course of its business.
- 17A Purchase of shares not listed on the New York Stock Exchange: the Company is authorised to purchase any shares not listed on the New York Stock Exchange in accordance with the following manner of purchase:
 - (a) the Company shall serve a repurchase notice in a form approved by the Board on the Member from whom the shares are to be repurchased at least two business days prior to the date specified in the notice as being the repurchase date;
 - (b) the price for the shares being repurchased shall be such price agreed between the Board and the applicable Member;
 - (c) the date of repurchase shall be the date specified in the repurchase notice; and
 - (d) the repurchase shall be on such other terms as specified in the repurchase notice as determined and agreed by the Board and the applicable Member in their sole discretion.
18. The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share and the Company is not obligated to purchase any other share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.
19. The holder of the shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

VARIATION OF RIGHTS ATTACHING TO SHARES

20. If at any time the share capital of the Company is divided into different classes or series of shares, all or any of the rights attaching to any class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, subject to these Articles, be varied or abrogated with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class or series.
21. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class or series of shares except the following:
 - (a) separate general meetings of the holders of a class or series of shares may be called only by (i) the Chairman of the Board, or (ii) a majority of the entire Board of Directors (unless otherwise specifically provided by the terms of issue of the shares of such class or series). Nothing in this Article 21 or Article 20 shall be deemed to give any Member or Members the right to call a class or series meeting.
 - (b) the necessary quorum shall be one or more persons holding or representing by proxy at least one-third of the issued shares of the class or series and that any holder of shares of the class or series present in person or by proxy may demand a poll.

8

22. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

23. The Company may in so far as the Statutes from time to time permit pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

NON-RECOGNITION OF TRUSTS

24. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statutes) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

25. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.
26. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 calendar days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled thereto by reason of his death or bankruptcy.
27. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
28. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

29. Subject to the terms of allotment, the Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares, and each member shall (subject to receiving at least 14 calendar days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

30. The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.
31. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
32. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
33. The Directors may make arrangements on the issue of shares for a difference between the Members, or the particular shares, in the amount of calls to be paid and in the times of payment.
34. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent. per annum) as may be agreed upon between the Member paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

35. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of such much of the call or instalment as is unpaid, together with any interest which may have accrued.
36. The notice shall name a further day (not earlier than the expiration of 14 calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call

was made will be liable to be forfeited.

37. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
38. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
39. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the forfeited shares (if any), but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the fully paid up amount of the shares.
40. A certificate in writing under the hand of a Director of the Company, and that a share has been forfeited on a date stated in the certificate, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share or any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not

be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

41. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes due and payable, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

42. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

43. The legal personal representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only person recognised by the Company as having any title to the share.
44. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
45. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM AND ARTICLES AND ALTERATION OF CAPITAL

46. The Company may by Ordinary Resolution:
 - (a) increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) sub-divide its existing shares or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

47. Subject to the provisions of the Statutes and these Articles as regards to the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:
 - (a) change its name;
 - (b) alter or add to these Articles;

- (c) alter or add to the Memorandum of Association with respect to any objects, powers or other matters specified therein; and
- (d) reduce its share capital and any capital redemption reserve in any manner authorized by law.

48. All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

49. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period but not to exceed in any case 30 calendar days. If the Register of Members shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members such register shall be so closed for at least 10 calendar days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members.
50. In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend, the Directors may, at or within 30 calendar days prior to the date of declaration of such dividend fix a subsequent date as the record date of such determination.
51. If the Register of Members is not so closed and no record date is fixed for the determination of those Members entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETINGS

52. All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.
53. (a) The Company may, but shall not (unless required by the Companies Law) be obliged to, in each year hold an annual general meeting, and shall specify the meeting as such in the notices calling it. Any annual general meeting shall be held at such time and place as the Directors shall determine.
- (b) At these meetings the report of the Directors (if any) shall be presented.
54. (a) The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

12

- (b) A Members requisition is a requisition of Members of holding at the date of deposit of the requisition not less than one-third of the share capital of the Company in issue as at that date carries the right of voting at general meetings of the Company.
- (c) The Members requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the principal place of business of the Company (with a copy forwarded to the registered office), and may consist of several documents in like form each signed by one or more requisitionists.
- (d) If the Directors do not within 21 calendar days from the date of the deposit of the Members requisition duly proceed to convene a general meeting to be held within a further 21 calendar days, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the second said 21 calendar days.
- (e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

55. At least seven calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five percent in par value of the shares giving that right.

56. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

57. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Members holding not less than an aggregate of one-third of all voting share capital of the Company in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
58. A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.
59. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
60. The Chairman of the Board of Directors shall preside as chairman at every general meeting of the Company.

61. If at any meeting the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall choose a chairman of the meeting.
62. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 10 calendar days or more, not less than 7 Business Days' notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
63. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or one or more Members present in person or by proxy entitled to vote and who together hold not less than 10 percent of the paid up voting share capital of the Company, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
64. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
65. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.
66. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF MEMBERS

67. Subject to any rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person and every person representing a Member by proxy at a general meeting of the Company shall have one vote and on a poll every Member present in any such manner shall have one vote for each Share registered in his name in the Register of Members.
68. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the joint holders and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register of Members.
69. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.
70. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares have been paid.
71. On a poll, votes may be given either personally or by proxy.

72. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a Member of the Company.
73. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
74. The instrument appointing a proxy shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:
- (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

75. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

76. Any corporation which is a Member or a Director may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members or of the Board of Directors or of a committee of Directors, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member or Director.

DEPOSITARIES AND CLEARING HOUSES

77. If a depositary (or its nominee) or clearing house (or its nominee) is a Member it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorized, the authorisation shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized pursuant to this provision shall be entitled to exercise the same powers on behalf of the depositary (or its nominee) or clearing house (or its nominee) which he represents as that depositary (or its nominee) or clearing house (or its nominee) could exercise if it were an individual member of the Company holding the number and class of shares specified in such authorisation.

BOARD OF DIRECTORS

78. (a) Unless otherwise determined by the Members in general meeting, the number of Directors shall not be less than three (3). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and shall hold office until their successors are elected or appointed or their office is otherwise vacated.
- (b) Subject to the Articles and the Companies Law, the Members may by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Board.
- (c) The Directors shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the existing Board.
- (d) No Director shall be required to hold any shares of the Company by way of qualification and a Director who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company. Each Director shall hold office until the expiration of his term, or his resignation from the Board, or until his successor shall have been elected and qualified.
- (e) Subject to any provision to the contrary in these Articles, a Director may be removed by way of an Ordinary Resolution at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).
- (f) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (e) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting.
- (g) The Members may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than three (3).

DISQUALIFICATION OF DIRECTORS

79. The office of a Director shall be vacated if the Director:
- (a) resigns his office by written notice delivered to the Company at its registered office or tendered at a meeting of the Board;
 - (b) becomes of unsound mind or dies;
 - (c) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive times and the Board resolves that his office be vacated; or
 - (d) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

- (e) is prohibited by law from being a Director; or
- (f) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

- 80. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article 80 shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
- 81. Notwithstanding Articles 86, 87, 88 and 89, an executive director appointed to an office under Article 80 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

- 82. Any Director may at any time by written notice delivered to the registered office or head office of the Company or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative *provided* that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by written notice signed by the appointor and delivered to the registered office or head office of the Company or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.
- 83. An alternate Director shall only be a Director for the purposes of the Companies Law and shall only be subject to the provisions of the Companies Law insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by written notice to the Company from time to time direct.
- 84. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

- 85. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director *provided* always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

- 86. The Directors shall receive such remuneration as the Board may from time to time determine.
- 87. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
- 88. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
- 89. The Board shall determine any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

DIRECTORS' INTERESTS

90. A Director may:
- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;
 - (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
 - (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and, unless otherwise agreed, no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager

18

or other officer of such other company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

Notwithstanding the foregoing, no "Independent Director" as defined in the rules of the New York Stock Exchange or in Rule 10A-3 under the Exchange Act, and with respect of whom the Board has determined constitutes an "Independent Director" for purposes of compliance with applicable law or the rules of the New York Stock Exchange, shall take any of the foregoing actions or any other action that would reasonably be likely to affect such Director's status as an "Independent Director" of the Company without the consent of the Audit Committee.

91. Subject to the Companies Law and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established *provided* that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 92 herein. Any such transaction that would reasonably be likely to affect a Director's status as an "Independent Director", or that would constitute a "related party transaction" as defined under applicable law or the rules of the New York Stock Exchange, shall require the approval of the Audit Committee.
92. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general written notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;
- shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, *provided* that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
93. Following a declaration being made pursuant to the last preceding two Articles, subject to any separate requirement for Audit Committee approval under applicable law or the listing rules of the Company's New York Stock Exchange, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum at such meeting.

GENERAL POWERS OF THE DIRECTORS

94. (a) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Members in a general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to

19

such regulations being not inconsistent with such provisions, as may be prescribed by the Members in a general meeting, but no regulations made by the Members in a general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- (b) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (c) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:
- (i) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.
 - (ii) To give to any Directors, officers or employees of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.
 - (iii) To resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Law.
95. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
96. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company's Seal.
97. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

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98. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
99. (a) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.
- (b) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement, and may be subject or not subject to any terms or conditions as the Board may determine.

BORROWING POWERS

100. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
101. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
102. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Members, appointment of Directors and otherwise.
103. (a) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.

- (b) The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Law, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Companies Law in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

104. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

21

105. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board of which notice may be given in writing or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the chief executive officer or chairman, as the case may be, or any Director.
106. (a) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Directors then in office, including the Chairman. An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate *provided* that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (b) Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (c) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
107. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles as the quorum, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
108. The Chairman of the Board shall be the chairman of all meetings of the Board. If the Chairman of the Board is not present at any meeting within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
109. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
110. (a) The Board may delegate any of its powers, authorities and discretions to committees (including, without limitation, the Audit Committee), consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (b) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board (or if the Board delegates such power, the committee) shall have power to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
111. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article, indicating, without limitation, any committee charter adopted by the Board for purposes or in respect of any such committee.

22

112. A resolution in writing signed by all the Directors except such as are temporarily unable to act due to ill-health or disability shall (*provided* that such number is sufficient to constitute a quorum and further *provided* that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors and for this purpose a facsimile signature of a Director shall be treated as valid.
113. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

PRESUMPTION OF ASSENT

114. A Director who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Chairman or Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

115. Subject to any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor. A dividend shall be deemed to be an interim dividend unless the terms of the resolution pursuant to which the Directors resolve to pay dividend specifically state that such dividend shall be a final dividend.
116. Subject to any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
117. The Directors may, before recommending or declaring any dividend or other distributions, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.
118. Any dividend or other distributions may be paid by cheque or wire transfer to the registered address of the Member or person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled, or such joint holders as the case may be, may direct.
119. The Directors when paying dividends or other distributions to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.

23

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120. No dividend or other distributions shall be paid otherwise than out of realised or unrealised profits of the Company or, subject to the restrictions of the Companies Law, the share premium account.
121. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, all dividends or distributions shall be declared and paid according to the amounts paid or credited as fully paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends or distributions may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.
122. If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
123. No dividend or other distributions shall bear interest against the Company.

BOOK OF ACCOUNTS

124. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
125. The books of account shall be kept at such place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
126. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company by Ordinary Resolution.
127. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Company by Ordinary Resolution or failing any such determination by the Directors or failing any determination as aforesaid shall not be audited.

ANNUAL RETURNS AND FILINGS

128. The Board shall make the requisite annual returns and any other requisite filings in accordance with the Companies Law.

AUDIT

129. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
130. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
131. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next special meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

24

132. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of any one or more persons as the Directors may appoint for the purpose and every person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.
133. The Company may maintain a facsimile of its Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile Seal of the Company is so affixed in their presence of and the instrument signed by a Director or the Secretary (or an Assistant Secretary) of the Company or in the presence of any one or more persons as the Directors may appoint for the purpose.
134. Notwithstanding the foregoing, a Director shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

OFFICERS

135. (a) The officers of the Company shall consist of the Chairman of the Board, the Directors and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Companies Law and these Articles. In addition to the officers of the Company, the Board may also from time to time determine and appoint managers and delegate to the same such powers and duties as are prescribed by the Board.
- (b) The Directors shall elect, by a majority of the Directors then in office, amongst the Directors a chairman.
- (c) The officers shall receive such remuneration as the Directors may from time to time determine.
136. (a) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (b) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies Law or these Articles or as may be prescribed by the Board.
137. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.
138. A provision of the Companies Law or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

CAPITALISATION

139. Subject to the Statutes and these Articles, the Board may, with the authority of an Ordinary Resolution:
- (a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
- (b) appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
- (i) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or
- (ii) paying up in full unissued shares or debentures of a nominal amount equal to that sum, and allot the shares or debentures, credited as fully paid, to the Members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to Members credited as fully paid;
- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the Board may deal with the fractions as it thinks fit;
- (d) authorise a person to enter (on behalf of all the Members concerned) an agreement with the Company providing for either:
- (i) the allotment to the Members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
- (ii) the payment by the Company on behalf of the Members (by the application of their respective operations of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares, an agreement made under the authority being effective and binding on all those Members; and
- (e) generally do all acts and things required to give effect to the resolution.

NOTICES

140. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to the Member at his address as appearing in the Register of Members or, to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
141. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
142. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

26

143. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted and if served by courier, shall be deemed to have been served five calendar days after the time when the letter containing the same is delivered to the courier (in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted or delivered to the courier);
 - (b) facsimile, shall be deemed to have been served upon confirmation of receipt;
 - (c) recognised delivery service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service and in proving such service it shall be sufficient to provide that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier; or
 - (d) electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by any applicable laws or regulations.
144. Any notice or document delivered or sent to any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
145. Notice of every general meeting shall be given to:
- (a) all Members who have supplied to the Company an address for the giving of notices to them;
 - (b) every person entitled to a share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting; and
 - (c) each Director and Alternate Director.

No other person shall be entitled to receive notices of general meetings.

INFORMATION

146. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members to communicate to the public.
147. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the Register of Members and transfer books of the Company.

INDEMNITY

148. Every Director (including for the purposes of this Article any Alternate Director appointed pursuant to the provisions of these Articles) and officer of the Company for the time being and from time to time shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, otherwise

27

than by reason of such indemnified person's own dishonesty, actual fraud or wilful default, in connection with the execution or discharge of his duties, powers, authorities or discretions as a Director or officer of the Company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

149. No such Director or officer of the Company shall be liable to the Company for any loss or damage unless such liability arises through the dishonesty, actual fraud or wilful default of such Director or officer. No person shall be found to have committed actual fraud or wilful default under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect.

FINANCIAL YEAR

150. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

WINDING UP

151. Subject to these Articles, if the Company shall be wound up the liquidator may, with the sanction of an Special Resolution, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

REGISTRATION BY WAY OF CONTINUATION

152. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

MERGERS AND CONSOLIDATIONS

153. The Company shall, with the approval of a Special Resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies Law), upon such terms as the Directors may determine.

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Leju Holdings Limited
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 No.5 Building, Guangqu Home Dongcheng District
 Beijing 100022
 People's Republic of China

12 March 2014

Dear Sirs

Leju Holdings Limited

We have acted as Cayman Islands legal advisers to Leju Holdings Limited (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American Depositary Shares (the "**ADSs**") representing the Company's Ordinary Shares of par value US\$0.001 each (the "**Shares**").

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

- 1.1 The certificate of incorporation dated 19 November 2013 issued by the Registrar of Companies in the Cayman Islands.
- 1.2 The Memorandum and Articles of Association of the Company as registered on 19 November 2013 (the "**Pre-IPO M&A**").
- 1.3 The Amended and Restated Memorandum and Articles of Association of the Company as adopted by a special resolution passed on 10 March 2014 and effective conditional and immediately upon completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO M&A**").
- 1.4 The written resolutions of the sole director of the Company dated 10 March 2014 (the "**Director's Resolutions**").
- 1.5 The written resolutions of the sole shareholder of the Company dated 10 March 2014 (the "**Shareholder's Resolutions**").
- 1.6 A certificate from a Director of the Company addressed to this firm dated 11 March 2014, a

copy of which is attached hereto (the "**Director's Certificate**").

- 1.7 A certificate of good standing dated 10 March 2014, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").
- 1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 Copy documents or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.
- 2.2 The genuineness of all signatures and seals.
- 2.3 There is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing under the laws of the Cayman Islands.
- 3.2 The authorised share capital of the Company, with effect immediately upon the completion of the Company's initial public offering of the ADSs representing the Shares, will be US\$1,000,000 divided into 1,000,000,000 Ordinary Shares, of a par value of US\$0.001 each.
- 3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the

register of members (shareholders).

3.4 The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

In this opinion the phrase "non-assessable" means, with respect to Shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings "Enforceability of Civil Liabilities", "Taxation" and "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder

Encl

LEJU HOLDINGS LIMITED
2013 SHARE INCENTIVE PLAN

ARTICLE 1

PURPOSE

The purpose of the Leju Holdings Limited 2013 Share Incentive Plan (the “Plan”) is to promote the success and enhance the value of Leju Holdings Limited, a company formed under the laws of the Cayman Islands (the “Company”), by linking the personal interests of the members of the Board, Employees, and Consultants to those of the Company’s shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company’s shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 “Assumption Date” means the date when the Company assumed the China Online Housing Technology Corporation 2013 Share Incentive Plan with the Board approval.

2.3 “Award” means an Option, Restricted Share or Restricted Share Unit award granted to a Participant pursuant to the Plan.

2.4 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.5 “Board” means the Board of Directors of the Company.

2.6 “Cause” with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a “for cause” termination has on the Participant’s Awards) a termination of employment or service based upon a finding by the Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient; or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Service Recipient;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Service Recipient; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Service Recipient or induced a principal for whom the Service Recipient acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.7 “Code” means the Internal Revenue Code of 1986 of the United States, as amended.

2.8 “COHT Plan” means the China Online Housing Technology Corporation 2013 Share Incentive Plan, adopted by China Online Housing Technology Corporation, an indirect wholly owned subsidiary of the Company, on December 1, 2013. The COHT Plan was assumed by the Company and replaced by the Plan and ceased to be effective as of the Assumption Date.

2.9 “Committee” means the Board or a committee of the Board described in Article 10.

2.10 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.11 “Corporate Transaction”, unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company’s equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.12 “Disability”, unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the

3

Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.13 “Effective Date” shall have the meaning set forth in Section 11.1.

2.14 “Employee” means any person, including an officer or a member of the Board of the Company or any Parent or Subsidiary of the Company, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.

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

2.16 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange and The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement, (ii) other third

4

party transactions involving the Shares and the development of the Company’s business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.17 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.18 “Independent Director” means (i) before the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who is a Non-Employee Director; and (ii) after the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who meets the independence standards under the applicable corporate governance rules of the stock exchange.

2.19 “Non-Employee Director” means a member of the Board who qualifies as a “Non-Employee Director” as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.20 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.

2.21 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 “Participant” means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.23 “Parent” means a parent corporation under Section 424(e) of the Code.

2.24 “Plan” means this Leju Holdings Limited 2013 Share Incentive Plan, as it may be amended from time to time.

2.25 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.26 “Restricted Share” means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.27 “Restricted Share Unit” means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

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

5

2.29 “Service Recipient” means the Company, any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.30 “Share” means any class of ordinary shares of the Company, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.31 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company.

2.32 “Trading Date” means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) (the “Award Pool”) shall initially be 10,434,783 Shares, and the Award Pool shall be increased automatically by that number of Shares, which shall be equal to 5% of the then total issued and outstanding Shares on an as-converted fully diluted basis, on each of the third, sixth and ninth anniversary of the Effective Date.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an Incentive Share Option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would

6

be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all members of the Board, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior

7

to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 12.1. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(e) Effects of Termination of Employment or Service on Options. Termination of employment or service shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or Disability:

(a) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively), will have until the date that is 12 months after the Participant's termination of Employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment on account of death or Disability;

8

- (b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service on account of death or Disability; and
- (c) the Options, to the extent exercisable for the 12-month period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.
- (iii) Other Terminations of Employment or Service. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:
 - (a) the Participant will have until the date that is 90 days after the Participant's termination of Employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service;
 - (b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service; and
 - (c) the Options, to the extent exercisable for the 90-day period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

- (a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.
- (b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any

9

Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

- (c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.
- (d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.
- (e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

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

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

10

relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to

the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.

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

7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided*,

11

however, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 No Transferability; Limited Exception to Transfer Restrictions.

8.2.1 Limits on Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 8.2, by applicable law and by the Award Agreement, as the same may be amended:

- (a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;
- (b) Awards will be exercised only by the Participant; and
- (c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

8.2.2 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 8.2.1 will not apply to:

- (a) transfers to the Company or a Subsidiary;
- (b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;
- (c) the designation of a beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution; or

12

- (d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative; or
- (e) subject to the prior approval of the Committee or an executive officer or director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's family members or entities owned and controlled by the Participant and/or the Participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

Notwithstanding anything else in this Section 8.2.2 to the contrary, but subject to compliance with all applicable laws, Incentive Share Options, Restricted Shares and Restricted Share Units will be subject to any and all transfer restrictions under the Code applicable to such Awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all applicable laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Administrator in order for it to be effective.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

13

8.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the People's Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

14

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board or a committee of one or more members of the Board to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members. Any grant or amendment of Awards to any Committee member shall then require an affirmative vote of a majority of the Board members who are not on the Committee.

10.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members of the Committee present at any meeting at

15

which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) designate Participants to receive Awards;
- (b) determine the type or types of Awards to be granted to each Participant;
- (c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and
- (j) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

16

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. The Plan is effective as of December 1, 2013, the date when the COHT Plan was adopted (the "Effective Date").

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, and Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with Applicable Laws or stock exchange rules, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any

17

income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit

18

sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

13.14 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such

amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board.

FORM OF INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) dated as of _____, 20____, by and between Leju Holdings Limited, an exempted Cayman Islands company (the “**Company**”) and _____, a [director and/or executive officer] of the Company (the “**Indemnitee**”).

WHEREAS, it is essential to the Company that it be able to retain and attract the most capable persons available as directors and officers;

WHEREAS, increased corporate litigation has subjected directors and officers to litigation risks and expenses, and the limitations on the availability of directors and officers liability insurance have made it increasingly difficult for the Company to attract and retain such persons;

WHEREAS, the Company’s governing documents require it to indemnify its directors and officers to the fullest extent permitted by law and permit it to make other indemnification arrangements and agreements; and

WHEREAS, the Company desires to provide the Indemnitee with specific contractual assurance of the Indemnitee’s rights to full indemnification against litigation risks and expenses (regardless of any amendment to or revocation of the Company’s governing documents or any change in the ownership of the Company or the composition of its Board of Directors).

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Indemnification.

(a) Indemnification of Expenses.

(i) Third-Party Claims. Subject to Section 8 below, the Company shall indemnify and hold harmless the Indemnitee to the fullest extent permitted by law if the Indemnitee was or is or becomes a party to or witness in, or is threatened to be made a party to or witness in, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that such Indemnitee reasonably believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other (hereinafter a “**Claim**”) (other than an action by right of the Company) by reason of the fact that the Indemnitee is or was a director or officer of the Company, or any subsidiary or affiliated entity of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of the Indemnitee while serving in such capacity (hereinafter, an “**Agent**”) or as a direct or indirect result of any Claim made by any shareholder of the Company against the Indemnitee and arising out of or related to any round of financing of the Company (including but not limited to Claims regarding non-participation, or non-pro rata participation, in such round by such shareholder), or made by a third party against the Indemnitee based on any

1

misstatement or omission of a material fact by the Company in violation of any duty of disclosure imposed on the Company by securities or common laws (hereinafter an “**Indemnification Event**”) against any and all expenses (including attorneys’ fees and all other costs, expenses and obligations), judgments, fines, penalties and amounts paid in settlement (if, and only if, such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) (the “**Expenses**”) actually and reasonably incurred by the Indemnitee in connection with investigating, attempting to amicably resolve, preparing for, defending or participating in (including on appeal) such Claim if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(ii) Derivative Actions. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any Claim by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was an Agent of the Company, or by reason of anything done or not done by him or her in any such capacity, the Company shall indemnify the Indemnitee against any amounts paid in settlement of any such Claim and all Expenses actually and reasonably incurred by him or her in connection with investigating, attempting to amicably resolve, preparing for, defending, settling or appealing such Claim if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct or gross negligence in the performance of his or her duty to the Company, unless and only to the extent that the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts the court may deem proper.

(b) Reviewing Party. Notwithstanding the foregoing, (i) the obligations of the Company under Section 1(a) shall be subject to the condition that the Reviewing Party (as defined in Section 10(e) hereof) shall not have determined that the Indemnitee would not be permitted to be indemnified under applicable law or pursuant to Section 8 hereof, and (ii) the Indemnitee acknowledges and agrees that the obligation of the Company to make an advance payment of Expenses to the Indemnitee pursuant to Section 2(a) (an “**Expense Advance**”) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that the Indemnitee would not be permitted to be so indemnified under applicable law or Section 8 hereof, the Company shall be entitled to be reimbursed by the Indemnitee (who hereby agrees to promptly reimburse the Company) for all such amounts theretofore paid; provided, however, that if the Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that the Indemnitee should be indemnified under applicable law or Section 8 hereof, any determination made by the Reviewing Party that the Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and the Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). The Indemnitee’s obligation to reimburse the Company for any Expense Advance shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control (as defined in Section 10(c) hereof), the Reviewing Party shall be

2

immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 1(e) hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that the Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law or Section 8 hereof, the Indemnitee shall have the right to commence litigation seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and the Indemnitee.

(c) Contribution. If the indemnification provided for in Section 1(a) above is, for any reason other than the statutory limitations of applicable law or as provided in Section 8, held by a court of competent jurisdiction to be unavailable to the Indemnitee in respect of any losses, claims, damages, expenses or liabilities in which the Company is jointly liable with the Indemnitee, as the case may be (or would be jointly liable if joined), then the Company, in lieu of indemnifying the Indemnitee thereunder, shall contribute to the amount actually and reasonably incurred and paid or payable by the Indemnitee as a result of such losses, claims, damages, expenses or liabilities in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and the Indemnitee, and (ii) the relative fault of the Company and the Indemnitee in connection with the action or inaction that resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Indemnitee shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such losses, claims, damages, expenses or liabilities.

The Company and the Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 1(c) were determined by pro rata or per capita allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the U.S. Securities Act of 1933, as amended (the "Securities Act")) shall be entitled to contribution from any person who was not found guilty of such fraudulent misrepresentation.

(d) Survival Regardless of Investigation. The indemnification and contribution provided for in this Section 1 will remain in full force and effect regardless of any investigation made by or on behalf of the Indemnitee.

(e) Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnitee to payments of Expenses under this Agreement, any other agreement or under the Company's

3

Memorandum and Articles of Association, as amended (the "M&A"), Independent Legal Counsel (as defined in Section 10(d) hereof) shall be selected by the Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). The Company agrees to abide by the determination of the Independent Legal Counsel and to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) Mandatory Payment of Expenses. Notwithstanding any other provision of this Agreement, to the extent the Indemnitee has been successful on the merits or otherwise, in the defense of any Claim referred to in Section 1(a) hereof or in the defense of any claim, issue or matter therein, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection herewith.

2. Expenses; Indemnification Procedure.

(a) Advancement of Expenses. Subject to Section 8 and except as prohibited by applicable law, the Company shall advance all Expenses incurred by the Indemnitee in connection with investigating, attempting to amicably resolve, preparing for, defending, settling or appealing any Claim to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an Agent of the Company or by reason of anything done or not done by him or her in any such capacity. The Indemnitee hereby undertakes to promptly repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the M&A, applicable law or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee as soon as practicable but in any event no later than thirty (30) days after written demand by the Indemnitee therefor to the Company.

(b) Notice/Cooperation by Indemnitee. The Indemnitee shall give the Company notice in writing promptly after receipt of notice of commencement of any Claim, or the threat of the commencement of any Claim, made against the Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other person and/or address as the Company shall designate in writing to the Indemnitee).

(c) No Presumptions; Burden of Proof. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether the Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee had not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by the Indemnitee to secure a judicial determination that the Indemnitee should be indemnified under applicable law, shall be a defense to the Indemnitee's claim or create a presumption that the Indemnitee had not met any

4

particular standard of conduct or did not have any particular belief. In connection with any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that the Indemnitee is not so entitled.

(d) Notice to Insurers. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section 2(b) hereof, the Company has liability insurance in effect which may cover such Claim, the Company shall give prompt written notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in each of the policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies.

(e) Selection of Counsel. In the event the Company shall be obligated hereunder to pay the Expenses of any Claim, the Company shall be entitled to assume the defense of such Claim, with legal counsel reasonably approved by the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such legal counsel by the Indemnitee and the retention of such legal counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same Claim; provided that, (i) the Indemnitee shall have the right to employ the Indemnitee's legal counsel in any such Claim at the Indemnitee's expense; (ii) the Indemnitee shall have the right to employ its own legal counsel in connection with any such proceeding, at the expense of the Company, if such legal counsel serves in a review, observer, advice and counseling capacity and does not otherwise materially control or participate in the defense of such proceeding; and (iii) if (A) the employment of legal counsel by the Indemnitee has been previously authorized by the Company, (B) the Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and the Indemnitee in the conduct of any such defense, or (C) the Company shall not in fact continue to retain such legal counsel to defend such Claim, then the fees and expenses of the Indemnitee's legal counsel shall be at the expense of the Company.

3. Additional Indemnification Rights; Nonexclusivity.

(a) Scope. The Company hereby agrees to indemnify the Indemnitee to the fullest extent permitted by law (except as provided in Section 8) with respect to Claims for Indemnification Events, even if such indemnification is not specifically authorized by the other provisions of this Agreement or any other agreement, the M&A, or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, it is the intent of the parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 8 hereof.

(b) Nonexclusivity. Notwithstanding anything in this Agreement, the

5

indemnification provided by this Agreement shall be in addition to any rights to which the Indemnitee may be entitled under the M&A, any agreement, any vote of shareholders or disinterested directors, the laws of the Cayman Islands, or otherwise. Notwithstanding anything in this Agreement, the indemnification provided under this Agreement shall continue as to the Indemnitee for any action the Indemnitee took or did not take while serving in an indemnified capacity even though such Indemnitee may have ceased to serve in such capacity and such indemnification shall inure to the benefit of the Indemnitee from and after the Indemnitee's first day of service as a director or officer with the Company.

4. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against the Indemnitee to the extent the Indemnitee has otherwise actually received payment (under any insurance policy, M&A or otherwise) of the amounts otherwise indemnifiable hereunder.

5. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for any portion of Expenses incurred in connection with any Claim, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses to which the Indemnitee is entitled.

6. Mutual Acknowledgement. The Company and the Indemnitee acknowledge that in certain instances, applicable law or public policy may prohibit the Company from indemnifying its directors, officers, employees, controlling persons, agents or fiduciaries under this Agreement or otherwise.

7. Liability Insurance. To the extent the Company maintains liability insurance applicable to directors and officers, the Company shall use commercially reasonable efforts to provide that the Indemnitee shall be covered by such policies in such a manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors and officers.

8. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Claims Under Section 16(b). To indemnify the Indemnitee for expenses and the payment of profits or an accounting thereof arising from the purchase and sale by the Indemnitee of securities in violation of the provisions of Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or any similar provisions of any international, federal, state or local statutory law;

(b) Unauthorized Settlements. To indemnify the Indemnitee hereunder for any amounts paid in settlement of a proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld;

(c) Unlawful Indemnification. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. In this respect, the Company and the Indemnitee have been advised that the U.S. Securities and Exchange Commission takes the position that indemnification for liabilities arising under

6

securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication;

(d) Fraud. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that the Indemnitee has committed fraud on the Company;

(e) Insurance. To indemnify the Indemnitee for which payment is actually and fully made to the Indemnitee under a valid and collectible insurance policy; or

(f) Company Contracts. To indemnify the Indemnitee with respect to any Claim related to any dispute or breach arising under any contract or similar obligation between the Company and the Indemnitee.

9. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against the Indemnitee, the Indemnitee's estate, spouse, heirs, executors or personal or legal representatives after the expiration of five (5) years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such five (5) year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

10. Construction of Certain Phrases.

(a) For purposes of this Agreement, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that if the Indemnitee is or was or may be deemed a director or officer of such constituent corporation, or is or was or may be deemed to be serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, the Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as the Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "**other enterprises**" shall include employee benefit plans; references to "**finances**" shall include any excise taxes assessed on the Indemnitee with respect to an employee benefit plan; and references to "**servicing at the request of the Company**" shall include any service as a director or officer of the Company which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or its beneficiaries; and if the Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, the Indemnitee shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Agreement.

(c) For purposes of this Agreement a "**Change in Control**" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit

7

plan of the Company or a corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "**beneficial owner**" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than thirty percent (30%) of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least two-thirds (2/3) of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets; provided that in no event shall a Change in Control be deemed to include (A) a merger, consolidation or reorganization of the Company for the purpose of changing the Company's state of incorporation and in which there is no substantial change in the shareholders of the Company or its successor (as the case may be), or (B) the Company's first firm commitment underwritten public offering of any of its securities to the general public pursuant to (x) a registration statement filed under the Securities Act, or (y) the securities laws applicable to an offering of securities in another jurisdiction pursuant to which such securities will be listed on an internationally recognized securities exchange (the "**IPO**").

(d) For purposes of this Agreement, "**Independent Legal Counsel**" shall mean an attorney or firm of attorneys, selected in accordance with the provisions of Section 1(e) hereof, who shall not have otherwise performed services for the Company or the Indemnitee within the last two (2) years (other than with respect to matters concerning the right of the Indemnitee under this Agreement).

(e) For purposes of this Agreement, a "**Reviewing Party**" shall mean any appropriate person or body consisting of a member or members of the Company's Board of Directors (other than the Indemnitee who is a director) or any other person or body appointed by the Board of Directors who is not a named party to the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(f) For purposes of this Agreement, "**Voting Securities**" shall mean any securities of the Company that vote generally in the election of directors.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

12. Binding Effect; Successors and Assigns. This Agreement shall be binding upon

8

and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnifiable Events regardless of whether the Indemnitee continues to serve as a director or officer of the Company or of any other enterprise, including subsidiaries of the Company, at the Company's request.

13. Attorneys' Fees. Subject to Section 8 and except as prohibited by applicable law, in the event that any action is instituted by the Indemnitee under this Agreement or under any liability insurance policies maintained by the Company to enforce or interpret any of the terms hereof or thereof, the Indemnitee shall be entitled to be paid all Expenses actually and reasonably incurred by the Indemnitee with respect to such action if the Indemnitee is ultimately successful in such action. In the event of an action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, the Indemnitee shall be entitled to be paid Expenses actually and reasonably incurred by the Indemnitee in defense of such action (including costs

and expenses incurred with respect to the Indemnitee counterclaims and cross-claims made in such action), and shall be entitled to the advancement of Expenses with respect to such action, in each case only to the extent that the Indemnitee is ultimately successful in such action.

14. **Notice.** All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one (1) day after the business day of delivery by facsimile transmission, with a copy thereof delivered by first class mail, postage prepaid. Any mail shall be directed, if addressed to the Indemnitee, at his or her address as set forth beneath his or her signature to this Agreement and, if to the Company, at the address of its principal corporate offices (attention: Chief Executive Officer), or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. **Severability.** The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

16. **Choice of Law.** This Agreement shall be governed by and its provisions construed and enforced in accordance with the laws of the State of New York, as applied to contracts between California residents entered into and to be performed entirely within the State of New York, without regard to the conflict of laws principles thereof.

17. **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

18. **Amendment and Termination.** No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by the parties to be bound thereby. Notice of same shall be provided to all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. **No Construction as Employment Agreement.** Nothing contained in this Agreement shall be construed as giving the Indemnitee any right to be retained in the employment or service of the Company or any of its subsidiaries or affiliated entities.

20. **Corporate Authority.** The Board of Directors of the Company and its shareholders in accordance with Cayman Islands law have approved the terms of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY:

Address:
15/F Floor, Shoudong International Plaza,
No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People's Republic of China

Leju Holdings Limited

a Cayman Islands exempted company

By: _____
Name:
Title:

INDEMNITEE:

Address: _____
Name:

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of _____, 20____ by and between Leju Holdings Limited, an exempted company incorporated and existing under the laws of the Cayman Islands (the "Company") and _____, an individual (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below) and under the terms and conditions of the Agreement;

WHEREAS, the Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of the Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. EMPLOYMENT

The Company hereby agrees to employ the Executive and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth (the "Employment").

2. TERM

Subject to the terms and conditions of the Agreement, the initial term of the Employment shall be _____ years, commencing on _____, (the "Effective Date") and ending on _____, (the "Initial Term"), unless terminated earlier pursuant to the terms of the Agreement. Upon expiration of the Initial Term of the Employment, the Employment shall be automatically extended for successive periods of _____ months each (each, an "Extension Period") unless either party shall have given 60 days advance written notice to the other party, in the manner set forth in Section 19 below, prior to the end of the Extension Period in question, that the term of this Agreement that is in effect at the time such written notice is given is not to be extended or further extended, as the case may be (the period during which this Agreement is effective being referred to hereafter as the "Term").

3. POSITION AND DUTIES

- (a) During the Term, the Executive shall serve as _____ of the Company or in such other position or positions with a level of duties and responsibilities consistent with the foregoing with the Company and/or its subsidiaries and affiliates as the Board of Directors of the Company (the "Board") may specify from time to time and shall have the duties, responsibilities and obligations

customarily assigned to individuals serving in the position or positions in which the Executive serves hereunder and as assigned by the Board, or if authorized by the Board, by the Company's Chief Executive Officer.

- (b) The Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any subsidiaries or affiliated entity of the Company (collectively, the "Group") and as a member of any committees of the board of directors of any such entity, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided to any other director of any member of the Group.
- (c) The Executive agrees to devote all of his or her working time and efforts to the performance of his/her duties for the Company and to faithfully and diligently serve the Company in accordance with the Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

4. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of the Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or by which the Executive is otherwise bound, except that the Executive does not make any representation with respect to agreements required to be entered into by and between the Executive and any member of the Group pursuant to the applicable law of the jurisdiction in which the Executive is based, if any; (ii) that the Executive is not in possession of any information (including, without limitation, confidential information and trade secrets) the knowledge of which would prevent the Executive from freely entering into the Agreement and carrying out his/her duties hereunder; (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement with any person or entity other than any member of the Group.

5. LOCATION

The Executive will be based in _____, China or any other location as requested by the Company during the Term.

6. COMPENSATION AND BENEFITS

- (a) Cash Compensation. As compensation for the performance by the Executive of his or her obligations hereunder, during the Term, the Company shall pay the Executive cash compensation (inclusive of the statutory benefit contributions that the Company is required to set aside for the Executive under applicable law) pursuant to Schedule A hereto, subject to annual review and adjustment by the Board or any committee designated by the Board.

- (b) Equity Incentives. During the Term, the Executive shall be eligible to participate, at a level comparable to similarly situated executives of the Company, in such long-term compensation arrangements as may be authorized from time to time by the Board, including any share incentive plan the Company may adopt from time to time in its sole discretion.
- (c) Benefits. During the Term, the Executive shall be entitled to participate in all of the employee benefit plans and arrangements made available by the Company to its similarly situated executives, including, but not limited to, any retirement plan, medical insurance plan and travel/holiday policy, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

7. TERMINATION OF THE AGREEMENT

The Employment may be terminated as follows:

- (a) Death. The Employment shall terminate upon his/her death.
- (b) Disability. The Employment shall terminate if the Executive has a disability, including any physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her position at the Company, even with reasonable accommodation that does not impose an undue burden on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period shall apply.
- (c) Cause. The Company may terminate the Executive's employment hereunder for Cause. The occurrence of any of the following, as reasonably determined by the Company, shall be a reason for Cause, provided that, if the Company determines that the circumstances constituting Cause are curable, then such circumstances shall not constitute Cause unless and until the Executive has been informed by the Company of the existence of Cause and given an opportunity of ten business days to cure, and such Cause remains uncured at the end of such ten-day period:
 - (1) continued failure by the Executive to satisfactorily perform his duties;
 - (2) willful misconduct or gross negligence by the Executive in the performance of his duties hereunder, including insubordination;
 - (3) the Executive's conviction or entry of a guilty or nolo contendere plea of any felony or any misdemeanor involving moral turpitude;
 - (4) the Executive's commission of any act involving dishonesty that results in material financial, reputational or other harm, monetary or otherwise, to any member of the Group, including but not limited to an act constituting misappropriation or embezzlement of

3

the property of any member of the Group as determined in good faith by the Board; or

- (5) any material breach by the Executive of this Agreement.
- (d) Good Reason. The Executive may terminate his employment hereunder for "Good Reason" upon the occurrence, without the written consent of the Executive, of an event constituting a material breach of this Agreement by the Company that has not been fully cured within ten business days after written notice thereof has been given by the Executive to the Company setting forth in sufficient detail the conduct or activities the Executive believes constitute grounds for Good Reason, including but not limited to:
 - (1) the assignment to the Executive of any duties materially inconsistent with the Executive's status as a senior officer of the Company or a substantial adverse alteration in the nature or status of the Executive's responsibilities; and
 - (2) the failure by the Company to pay to the Executive any portion of the Executive's current compensation or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within twenty business days of the date such compensation is due.
- (e) Without Cause by the Company; Without Good Reason by the Executive. The Company may terminate the Executive's employment hereunder at any time without Cause upon 60-day prior written notice to the Executive. The Executive may terminate the Executive's employment voluntarily for any reason or no reason at any time by giving one-month prior written notice to the Company.
- (f) Notice of Termination. Any termination of the Executive's employment under the Agreement shall be communicated by written notice of termination ("Notice of Termination") from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of the Agreement relied upon in effecting the termination.
- (g) Date of Termination. The "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Executive's death, the date of his death, (ii) if the Executive's employment is terminated by the Executive's disability, by the Company for Cause or by the Executive without Good Reason, the date specified in the Notice of Termination and (iii) if the Executive's employment is terminated without cause or by the Executive for Good Reason, the date on which a Notice of Termination is given or any later date (within sixty (60) days) set forth in such Notice of Termination.

4

- (h) Compensation upon Termination.

- (1) Death. If the Executive's employment is terminated by reason of the Executive's death, the Company shall have no further obligations to the Executive under this Agreement and the Executive's benefits shall be determined under the Company's retirement, insurance and other benefit and compensation plans or programs then in effect in accordance with the terms of such plans and programs.
 - (2) By Company without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, the Company shall (i) continue to pay and otherwise provide to the Executive, during any notice period, all compensation, base salary and previously earned but unpaid incentive compensation, if any, and shall continue to allow the Executive to participate in any benefit plans in accordance with the terms of such plans during such notice period; and (ii) pay to the Executive, in lieu of benefits under any severance plan or policy of the Company, an amount equal to the sum of the Executive's 12 months' base salary as in effect as of the Date of Termination.
 - (3) By Company for Cause or by the Executive other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason, the Company shall pay the Executive his base salary at the rate in effect at the time Notice of Termination is given through the Date of Termination, and the Company shall have no additional obligations to the Executive under this Agreement.
 - (4) Compensation Upon any Termination. Following any termination of the Executive's employment, the Company shall pay the Executive all amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or benefit plan or program of the Company, at the time such payments are due in accordance with the terms of such plans or programs.
- (i) Return of Company Property. The Executive agrees that following the termination of the Executive's employment for any reason, or at any time prior to the Executive's termination upon the request of the Company, he/she shall return all property of the Group, which is then in or thereafter comes into his/her possession, including, but not limited to, any Confidential Information (as defined below) or Intellectual Property (as defined below), or any other documents, contracts, agreements, plans, photographs, projections, books, notes, records, electronically stored data and all copies, excerpts or summaries of the foregoing, as well as any automobile or other materials or equipment supplied by the Group to the Executive, if any.

5

- (j) Requirement for a Release. Notwithstanding the foregoing, the Company's obligations to pay or provide any benefits shall (1) cease as of the date the Executive breaches any of the provisions of Sections 8, 9 and 11 hereof, and (2) be conditioned on the Executive signing the Company's customary release of claims in favor of the Group and the expiration of any revocation period provided for in such release.

8. CONFIDENTIALITY AND NONDISCLOSURE

- (a) Confidentiality and Non-Disclosure.
- (1) The Executive acknowledges and agrees that: (A) the Executive holds a position of trust and confidence with the Company and that his employment by the Company will require that the Executive have access to and knowledge of valuable and sensitive information, material, and devices relating to the Company and/or its business, activities, products, services, customers and vendors, including, but not limited to, the following, regardless of the form in which the same is accessed, maintained or stored: the identity of the Company's actual and prospective customers and, as applicable, their representatives; prior, current or future research or development activities of the Company; the products and services provided or offered by the Company to customers or potential customers and the manner in which such services are performed or to be performed; the product and/or service needs of actual or prospective customers; pricing and cost information; information concerning the development, engineering, design, specifications, acquisition or disposition of products and/or services of the Company; user base personal data, programs, software and source codes, licensing information, personnel information, advertising client information, vendor information, marketing plans and techniques, forecasts, and other trade secrets ("Confidential Information"); and (B) the direct and indirect disclosure of any such Confidential Information would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's business.
 - (2) During the Term and at all times thereafter, the Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, consultant, principal or agent of any business, or in any other capacity, publish or make known, disclose, furnish, reproduce, make available, or utilize any of the Confidential Information without the prior express written approval of the Company, other than in the proper performance of the duties contemplated herein, unless and until such Confidential

6

Information is or shall become general public knowledge through no fault of the Executive.

- (3) In the event that the Executive is required by law to disclose any Confidential Information, the Executive agrees to give the Company prompt advance written notice thereof and to provide the Company with reasonable assistance in obtaining an order to protect the Confidential Information from public disclosure.
 - (4) The failure to mark any Confidential Information as confidential shall not affect its status as Confidential Information under this Agreement.
- (c) Third Party Information in the Executive's Possession. The Executive agrees that he shall not, during the Term, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or

entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of litigation, arising out of or in connection with any violation of the foregoing.

- (d) **Third Party Information in the Company's Possession.** The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Term and thereafter, a duty to hold all such confidential or proprietary information in strict confidence and not to disclose such information to any person or firm, or otherwise use such information, in a manner inconsistent with the limited purposes permitted by the Company's agreement with such third party.

This Section 8 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. INTELLECTUAL PROPERTY

- (a) **Prior Inventions.** The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were

7

developed by Executive prior to the Executive's employment by the Company (collectively, "Prior Inventions"), (ii) relate to the Company's actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) **Assignment of Intellectual Property.** The Executive hereby assigns to the Company or its designees, without further consideration and free and clear of any lien or encumbrance, the Executive's entire right, title and interest (within the United States and all foreign jurisdictions), to any and all inventions, discoveries, improvements, developments, works of authorship, concepts, ideas, plans, specifications, software, formulas, databases, designees, processes and contributions to Confidential Information created, conceived, developed or reduced to practice by the Executive (alone or with others) during the Employment Period which (A) are related to the Company's current or anticipated business, activities, products, or services, (B) result from any work performed by Executive for the Company, or (iii) are created, conceived, developed or reduced to practice with the use of Company property, including any and all Intellectual Property Rights (as defined below) therein ("Work Product"). Any Work Product which falls within the definition of "work made for hire", as such term is defined in the U.S. Copyright Act, shall be considered a "work made for hire", the copyright in which vests initially and exclusively in the Company. The Executive waives any rights to be attributed as the author of any Work Product and any "droit morale" (moral rights) in Work Product. The Executive agrees to immediately disclose to the Company all Work Product. For purposes of this Agreement, "Intellectual Property" shall mean any patent, copyright, trademark or service mark, trade secret, or any other proprietary rights protection legally available.

- (c) **Patent and Copyright Registration.** The Executive agrees to execute and deliver any instruments or documents, and to do all other things reasonably requested by the Company in order to more fully vest the Company with all ownership rights in the Work Product. If any Work Product is deemed by the Company to be patentable or otherwise registrable, the Executive shall assist the Company (at the Company's expense) in obtaining letters of patent or other applicable registration therein and shall execute all documents and do all things, including testifying (at the Company's expense) necessary or appropriate to apply for, prosecute, obtain, or enforce any Intellectual Property right relating to any Work Product. Should the Company be unable to secure the Executive's signature on any document

8

deemed necessary to accomplish the foregoing, whether due to the Executive's disability or other reason, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as the Executive's agent and attorney-in-fact to act for and on the Executive's behalf and stand to take any of the actions required of Executive under the previous sentence, with the same effect as if executed and delivered by the Executive, such appointment being coupled with an interest.

This Section 9 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. CONFLICTING EMPLOYMENT.

The Executive hereby agrees that, during the Term, he/she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the Term, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. NON-COMPETITION AND NON-SOLICITATION

- (a) **Non-Competition.** In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the Term and for a period of one year following the termination of the Employment for whatever reason, the Executive shall not engage in Competition (as defined below) with the Group. For purposes of this Agreement, "Competition" by the Executive shall mean the Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder, member, owner or partner of, or permitting the Executive's name to be used in connection with the activities of, any other business or organization which competes, directly or

indirectly, with the Group in the Business; provided, however, it shall not be a violation of this Section 11(a) for the Executive to become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a corporation in Competition with the Group that is registered under the U.S. Securities Exchange Act of 1934, as amended, provided that the Executive does not otherwise participate in the business of such corporation.

For purposes of this Agreement, "Business" means online real estate services, including e-commerce, online advertising and listing services and any other business which the Group engages in, or is preparing to become engaged in, during the Term.

- (b) Non-Solicitation; Non-Interference. During the Employment Period and for a period of one year following the termination of the Executive's employment for any reason, the Executive agrees that he or she will not, directly or indirectly, for

9

the Executive's benefit or for the benefit of any other person or entity, do any of the following:

- (1) solicit from any customer doing business with the Group during the Term business of the same or of a similar nature to the Business;
 - (2) solicit from any known potential customer of the Group business of the same or of a similar nature to that which has been the subject of a known written or oral bid, offer or proposal by the Group, or of substantial preparation with a view to making such a bid, proposal or offer;
 - (3) solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by the Group; or
 - (4) otherwise interfere with the business or accounts of the Group, including, but not limited to, with respect to any relationship or agreement between the Group and any vendor or supplier.
- (c) Injunctive Relief; Indemnity of Company. The Executive agrees that any breach or threatened breach of subsections (a) and (b) of this Section 12 would result in irreparable injury and damage to the Company for which an award of money to the Company would not be an adequate remedy. The Executive therefore also agrees that in the event of said breach or any reasonable threat of breach, the Company shall be entitled to seek an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, remedies available under this Agreement and the recovery of damages. The Executive and the Company further agree that the provisions of this Section 11 are reasonable. The Executive agrees to indemnify and hold harmless the Company from and against all reasonable expenses (including reasonable fees and disbursements of counsel) which may be incurred by the Company in connection with, or arising out of, any violation of this Agreement by the Executive. This Section 11 shall survive the termination of the Agreement for any reason.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to the Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

10

13. ASSIGNMENT

The Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer the Agreement or any rights or obligations hereunder; provided, however, that the Company may assign or transfer the Agreement or any rights or obligations hereunder to any member of the Group without such consent. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. The Company will require any and all successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Company had terminated the Executive's employment other than for Cause, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

14. SEVERABILITY

If any provision of the Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of the Agreement are declared to be severable.

15. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he has not entered into the Agreement in reliance upon any representation, warranty or undertaking which is not set forth in the Agreement.

16. GOVERNING LAW

The Agreement shall be governed by and construed in accordance with the law of the State of New York, USA, without regard to the conflicts of law principles.

17. AMENDMENT

The Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to the Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under the Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that the Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of the Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[Remainder of the page intentionally left blank.]

IN WITNESS WHEREOF, the Agreement has been executed as of the date first written above.

COMPANY:

Leju Holdings Limited
a Cayman Islands exempted company

By: _____
Name:
Title:

EXECUTIVE:

Name:
Address:

Schedule A

Cash Compensation

	Amount	Pay Period
Base Salary		
Cash Bonus		

Schedule B

List of Prior Inventions

Title	Date	Identifying Number or Brief Description

No inventions or improvements

Additional Sheets Attached

Signature of Executive: _____

Print Name of Executive: _____

Date: _____

Xudong ZHU

Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

AND

Beijing Yisheng Leju Information Services Co., Ltd.

Exclusive Call Option Agreement

In Respect Of Beijing Yisheng Leju Information Services Co., Ltd.

September 10, 2011

EXCLUSIVE CALL OPTION AGREEMENT

This **EXCLUSIVE CALL OPTION AGREEMENT** (this “**Agreement**”) is entered into as of September 10, 2011 by and among the following parties:

1. Xudong ZHU

Identity Card No.:

2. Zuyu DING

Identity Card No.:

(Xudong ZHU and Zuyu DING are hereinafter referred to individually as a “**Company Shareholder**” and collectively as the “**Company Shareholders**”).

3. Shanghai SINA Leju Information Technology Co., Ltd. (the “WFOE”) Registered address: Room 11A, 971 Dongfang Road, Pudong New District, Shanghai

4. Beijing Yisheng Leju Information Services Co., Ltd. (the “Company”)

Registered address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

- (1) The Company Shareholders are the registered shareholders of the Company, legally holding all the equity interest in the Company. Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Company Shareholder in the registered capital of the Company as of the date when this Agreement is signed.
- (2) To the extent not in violation of the PRC Law, the Company Shareholders intend to transfer all their respective equity interest in the Company to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (3) To the extent not in violation of the PRC Law, the Company intends to transfer its assets to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (4) For the purpose of the foregoing equity interest and asset transfer, the Company Shareholders and the Company agree to grant to the WFOE the exclusive and irrevocable Equity Transfer Option (as defined below) and Asset Purchase Option (as defined below) respectively. Pursuant to such Equity Transfer Option and Asset Purchase Option, at the

WFOE’s request, the Shareholders or the Company shall, to the extent permitted by the PRC Law, transfer the Option Equity (as defined below) or the Company Assets (as defined below) to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

- (5) The Company agrees that the Company Shareholders grant the Equity Transfer Option to the WFOE pursuant to the provisions of this Agreement.

(6) The Company Shareholders agree that the Company grants the Asset Purchase Option to the WFOE pursuant to the provisions of this Agreement.

NOW, THEREFORE, the Parties, after consultations, hereby agree as follows:

Article 1 Definitions

1.1 As used in this Agreement, the following terms shall be interpreted to have the following meanings, unless otherwise interpreted pursuant to the context:

“Equity Transfer Option” shall mean the option to purchase the equity interest in the Company as granted to the WFOE by the Company Shareholders pursuant to the terms and conditions of this Agreement.

“Asset Purchase Option” shall mean the option to purchase any Company Assets as granted to the WFOE by the Company pursuant to the terms and conditions of this Agreement.

“Option Equity” shall mean, in respect of each of the Company Shareholders, all the equity interest held by him in the Company Registered Capital respectively; in respect of all the Company Shareholders, the equity interest covering 100% of the Company Registered Capital.

“Company Registered Capital” shall mean the registered capital of the Company as of the signing date of this Agreement, i.e. RMB10,000,000, which shall include any expanded registered capital as a result of any capital increase in any form within the term of this Agreement.

“Transferred Equity” shall mean the equity interest in the Company which the WFOE has the right to request either of the Company Shareholders to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Equity Transfer Option, the quantity of which may be all or part of the Option Equity and the specific amount of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“Transferred Assets” shall mean the Company Assets which the WFOE has the right to require the Company to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Asset Purchase Option, the quantity of which may be all or part of the Company Assets and the details of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“Exercise of Option” shall mean the exercising of the Equity Transfer Option or the Asset Purchase Option by the WFOE.

“Transfer Price” shall mean all the consideration that the WFOE or its designated entity or individual is required to pay to the Company Shareholders or the Company in order to obtain the Transferred Equity or the Transferred Assets upon each Exercise of Option.

“Business Permits” shall mean any approvals, permits, filings, registrations, etc which the Company is required to have for legally and validly operating all its businesses, including without limitation, Business License of Corporate Legal Person, Operation Permit of Value-added Telecommunication Service and such other relevant permits and licenses as required by the then-effective PRC Law.

“Company Assets” shall mean all the tangible and intangible assets which the Company owns or has the right to dispose of during the valid term of this Agreement, including without limitation, any immovable and moveable assets, intellectual property rights such as trademarks, copyrights, patents, know-how, domain names and software use rights, and any investment interest.

“Material Asset” shall mean any asset which has a book value of RMB100,000 or more or has a material effect on the business operations of any Party.

“Material Agreement” shall mean, in respect of the Company, any agreement to which the Company is a party and which has a material effect on the business or assets of the Company, including without limitation, the Exclusive Technology Service Agreement entered into by the Company and the WFOE on May 8, 2008 and other important agreements regarding the business of the Company; in respect of a Subsidiary, any agreement to which such Subsidiary is a party and which has a material effect on the business or assets of such Subsidiary.

“PRC” shall mean the People’s Republic of China, which, for purpose of this Agreement only, excludes Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“PRC Law” shall mean the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding regulatory documents of the PRC.

“Exercise Notice” shall have the meaning prescribed to such term in Article 3.7 hereof.

“Subsidiary” shall have the meaning prescribed to such term in Article 6.1.10 hereof.

“Confidential Information” shall have the meaning prescribed to such term in Article 8.1 hereof.

“Disclosing Party” shall have the meaning prescribed to such term in Article 8.1 hereof.

“Receiving Party” shall have the meaning prescribed to such term in Article 8.1 hereof.

“Defaulting Party” shall have the meaning prescribed to such term in Article 11.1 hereof.

“Default” shall have the meaning prescribed to such term in Article 11.1 hereof.

“Available Rights” shall have the meaning prescribed to such term in Article 12.5 hereof.

- 1.2 The references to any PRC Law herein shall be deemed:
- (1) simultaneously to include the references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement; and
 - (2) simultaneously to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.
- 1.3 Except as otherwise stated in the context herein, all references to an Article, clause, item or paragraph shall refer to the corresponding part of this Agreement.

Article 2 Grant of Equity Transfer Option and Asset Purchase Option

- 2.1 The Company Shareholders hereby severally and jointly agree to grant the WFOE an irrevocable, unconditional and exclusive Equity Transfer Option. Pursuant to such Equity Transfer Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company Shareholders to transfer the Option Equity to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Equity Transfer Option.
- 2.2 The Company hereby agrees that the Company Shareholders grant such Equity Transfer Option to the WFOE according to Article 2.1 above and other provisions of this Agreement.
- 2.3 The Company hereby agrees to grant the WFOE an irrevocable, unconditional and exclusive Asset Purchase Option. Pursuant to such Asset Purchase Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company to transfer all or part of the Company Assets to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Asset Purchase Option.
- 2.4 The Company Shareholders hereby severally and jointly agree that the Company grants such Asset Purchase Option to the WFOE according to Article 2.3 above and other provisions of this Agreement.

Article 3 Method of Exercise of Option

- 3.1 Subject to the terms and conditions of this Agreement, the WFOE shall have the absolute sole discretion to determine the specific time, method and times of its Exercise of Option to the extent permitted by the PRC Law.
- 3.2 Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at any time, request to acquire the Transferred Equity from the Company Shareholders by itself or through any other entity or individual designated by it.
- 3.3 Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at

any time, request to acquire the Transferred Assets from the Company by itself or through any other entity or individual designated by it.

- 3.4 With regard to the Equity Transfer Option, at each Exercise of Option, the WFOE shall have the right to arbitrarily determine the amount of the Transferred Equity to be transferred by the Company Shareholders to the WFOE and/or any other entity or individual designated by it. The Company Shareholders shall respectively transfer the Transferred Equity to the WFOE and/or any other entity or individual designated by it in the amount requested by the WFOE. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price with respect to the Transferred Equity acquired at each Exercise of Option to the Company Shareholder transferring such Transferred Equity.
- 3.5 With regard to the Asset Purchase Option, at each Exercise of Option, the WFOE shall have the right to determine the specific Company Assets to be transferred by the Company to the WFOE and/or any other entity or individual designated by it. The Company shall transfer the Transferred Assets to the WFOE and/or any other entity or individual designated by it in accordance with the WFOE's requirement. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price to the Company with respect to the Transferred Assets acquired at each Exercise of Option.
- 3.6 At each Exercise of Option, the WFOE may acquire the Transferred Equity or Transferred Assets by itself or designate any third party to acquire all or part of the Transferred Equity or Transferred Assets.
- 3.7 Having decided each Exercise of Option, the WFOE shall issue to the Company Shareholders or the Company a notice for exercising the Equity Transfer Option or a notice for exercising the Asset Purchase Option (the "**Exercise Notice**", the form of which are set out in Annex 2 and Annex 3 hereto). The Company Shareholders or the Company shall, upon receipt of the Exercise Notice, forthwith transfer all the Transferred Equity or Transferred Assets in accordance with the Exercise Notice to the WFOE and/or any other entity or individual designated by the WFOE in such method as described in Article 3.4 or Article 3.5 hereof.

Article 4 Transfer Price

- 4.1 With regard to the Equity Transfer Option, the total Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to each Company Shareholder at each Exercise of Option by the WFOE shall be the capital contribution mirrored by the corresponding Transferred Equity in the Company Registered Capital. But if the lowest price permitted by the then-effective PRC Law is higher than the above capital contribution, the Transfer Price shall be the lowest price permitted by the PRC Law.
- 4.2 With regard to the Asset Purchase Option, the Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to the Company at each Exercise of Option by the WFOE shall be the net book value of the relevant Transferred Assets. But if the lowest price permitted by the then-effective PRC Law is higher than the net book value of the Transferred Assets, the Transfer Price shall be the lowest price permitted by the PRC Law.

Article 5 Representations and Warranties

5.1 The Company Shareholders hereby severally and jointly represent and warrant that:

- 5.1.1. Each of the Company Shareholders is a Chinese citizen with full capacity. Each of them has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.1.2. The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.1.3. Each of them has the full power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by him. Each of them has the full power and authority to consummate the transaction contemplated hereby.
- 5.1.4. This Agreement is legally and duly executed and delivered by the Company Shareholders. This Agreement shall constitute their legal and binding obligations and shall be enforceable against them in accordance with the terms of this Agreement.
- 5.1.5. The Company Shareholders are the legitimate owners of the Option Equity as of the effective date of this Agreement, and except for the rights created under the Equity Pledge Agreement and Shareholder Voting Rights Proxy Agreement executed by the Company, the WFOE and the Company Shareholders on the date hereof, the Option Equity is free from and clear of any lien, pledge, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Transferred Equity, free from and clear of any lien, pledge, claim and other encumbrances or third party rights.
- 5.1.6. To the knowledge of the Company Shareholders, the Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
- 5.1.7. The execution, delivery and performance by the Company Shareholders of this Agreement and the consummation by the Company Shareholders of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which they are bound.

5.2 The Company hereby represents and warrants that:

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- 5.2.1 The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
 - 5.2.2 The Company has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
 - 5.2.3 This Agreement is legally and duly executed and delivered by the Company. This Agreement shall constitute the legal and binding obligation against it.
 - 5.2.4 The Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
 - 5.2.5 The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which it is bound.

5.3 The WFOE hereby represents and warrants that:

- 5.3.1. The WFOE is a wholly foreign-owned enterprise duly registered and legitimately existing under the PRC Law with an independent legal personality. The WFOE has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.3.2. The WFOE has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
- 5.3.3. This Agreement is legally and duly executed and delivered by the WFOE. This Agreement shall constitute the legal and binding obligation against it.

Article 6 Undertakings by the Company Shareholders

Each of the Company Shareholders hereby severally undertakes that:

6.1 Within the valid term of this Agreement, without the WFOE's prior written consent:

- 6.1.1. any Company Shareholder shall not transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity;
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- 6.1.2. he shall not increase or decrease the Company Registered Capital or cause or permit the Company to be divided or merged with any other entity;
- 6.1.3. he shall not dispose of or cause the management of the Company to dispose of any Material Asset (other than in the ordinary course of business), or create any encumbrance or other third party rights on any Material Asset;
- 6.1.4. he shall not terminate or cause the management of the Company to terminate any Material Agreement entered into by the Company, or enter into any other agreement in conflict with the existing Material Agreements;
- 6.1.5. he shall not appoint or dismiss and replace any director or supervisor of the Company or any other management personnel of the Company who shall be appointed or dismissed by the Company Shareholders;
- 6.1.6. he shall not cause the Company to declare the distribution of or in practice release any distributable profit, dividend, share profit or share interest;
- 6.1.7. he shall ensure that the Company validly exists and is not terminated, liquidated or dissolved;
- 6.1.8. he shall not amend the articles of association of the Company;
- 6.1.9. he shall ensure that the Company will not lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business; and
- 6.1.10. it shall not cause the Company or the management of the Company to approve any of the following acts of any of the Company's subsidiaries or affiliates (collectively, the "**Subsidiaries**"):
 - (a) increase or decrease any Subsidiary's registered capital or cause or permit any Subsidiary to be divided or merged with any other entity;
 - (b) dispose of or cause the management of the Subsidiaries to dispose of any Material Asset of any Subsidiary (other than in the ordinary course of business), or create any encumbrance or other third party rights on such assets;
 - (c) terminate or cause the management of the Subsidiaries to terminate any Material Agreement entered into by any Subsidiary, or enter into any other agreement in conflict with the existing Material Agreements;
 - (d) appoint or dismiss and replace any director or supervisor of any Subsidiary or any other management personnel of such Subsidiary who shall be appointed or dismissed by the Company;
 - (e) terminate, liquidate or dissolve any Subsidiary or act in any way that damages or is likely to damage the valid existence of any Subsidiary;
 - (f) amend the articles of association of any Subsidiary; and

(g) lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business.

- 6.2 Within the valid term of this Agreement, he shall use his best endeavor to develop the business of the Company and ensure that the Company's operations are legal and in compliance with the regulations, and he will not engage in any act or omission which may damage the Company's (including the Subsidiaries') assets and goodwill or affect the validity of the Business Permits of the Company.
 - 6.3 Within the valid term of this Agreement, he shall timely notify the WFOE of any circumstances that may have a material adverse effect on the existence, business operations, financial conditions, assets or goodwill of the Company (including the Subsidiaries) and timely take all the measures approved by the WFOE to remove such adverse circumstances or take effective remedial measures with respect thereto.
 - 6.4 Once the WFOE gives the Exercise Notice,
 - 6.4.1. he shall promptly convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve any Company Shareholder or the Company to transfer all the Transferred Equity or the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and waive any preemptive right to purchase enjoyed by him (if any);
 - 6.4.2. he shall promptly enter into an equity transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Equity at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE and provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Equity, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Equity.
 - 6.5 If the total Transfer Price obtained by any Company Shareholder with respect to the Transferred Equity held by him is higher than the capital contribution corresponded with such Transferred Equity in the Company Registered Capital, or he receives any form of profit distribution, share profit, share interest or dividend from the Company, then such Company Shareholder agrees to, to the extent no in violation of the PRC Law, waive the premium earnings and any profit distribution, share profit, share interest or dividend (after the deduction of relevant taxes) and the WFOE is entitled thereto. Otherwise, such Company Shareholder shall compensate the WFOE and/or any other entity or individual designated by the WFOE for any loss incurred as a result thereof.
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Article 7 Undertakings by the Company

- 7.1 The Company hereby undertakes that:
- 7.1.1. If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority needs to be obtained or handled with respect to the execution and performance of this Agreement and the grant of the Equity Transfer Option or Asset Purchase Option hereunder, the Company shall endeavor to assist in satisfying the above conditions.
 - 7.1.2. Without the WFOE's prior written consent, the Company shall not assist or permit the Company Shareholders to transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity.
 - 7.1.3. Without the WFOE's prior written consent, the Company shall not transfer or otherwise dispose of any Material Asset (other than in the ordinary course of business) or create any encumbrance or other third party rights on any Company Assets.
 - 7.1.4. The Company shall not do or permit to be done any behavior or action that may adversely affect the interests of the WFOE under this Agreement, including without limitation, any behavior and action that is subject to Article 6.1.
- 7.2 With the valid term of this Agreement, once the WFOE gives the Exercise Notice,
- 7.2.1 it shall promptly cause the Company Shareholders to convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve the Company to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE;
 - 7.2.2 it shall promptly enter into an asset transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and cause the Company Shareholders to provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Assets, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Assets.

Article 8 Confidentiality Obligations

- 8.1 Regardless of whether this Agreement is terminated or not, each Party shall keep

strictly confidential all the business secrets, proprietary information, customer information and all other information of a confidential nature about the other Parties known by it during the execution and performance of this Agreement (collectively, the "**Confidential Information**"). Unless a prior written consent is obtained from the Party disclosing the Confidential Information (the "**Disclosing Party**") or unless it is required to be disclosed to third parties according to the stipulation of relevant laws and regulations or the requirement of the place where its affiliate is listed on a stock exchange, the Party receiving the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any Confidential Information. The Receiving Party shall not use any Confidential Information other than for the purpose of performing this Agreement.

- 8.2 The following information shall not be deemed part of the Confidential Information:
- (a) any information that has been lawfully acquired by the receiving Party before as evidenced by written documents;
 - (b) any information entering the public domain not attributable to the fault of the Party receiving the information; or
 - (c) any information lawfully acquired by the Party receiving the information through other sources after its receipt of such information.
- 8.3 For purpose of performing this Agreement, the Receiving Party may disclose the Confidential Information to its relevant employees, agents or professionals retained by it. However, the Receiving Party shall ensure that the aforesaid persons shall comply with the relevant terms and conditions of this Article 8. In addition, the Receiving Party shall be responsible for any liability incurred as a result of such persons' breach of the relevant terms and conditions of this Article 8.
- 8.4 Notwithstanding any other provision herein, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Term of Agreement

This Agreement shall become effective immediately upon the signing of this agreement by all parties. This Agreement shall terminate after all the Option Equity and the Company Assets are lawfully transferred to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

Article 10 Notices

- 10.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.
- 10.2 If any of such notice or other correspondences is transmitted by facsimile or

telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 11 Defaulting Liability

- 11.1 The Parties agree and confirm that, if any of the Parties (the “**Defaulting Party**”) substantially violates any agreement herein or substantially fails to perform or delays performance of any of the obligations hereunder, such violation, failure or delay shall constitute a default under this Agreement (a “**Default**”). The non-defaulting Party shall have the right to request the Defaulting Party to rectify or take remedial actions within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial actions within such reasonable period or within ten (10) days after the non-defaulting Party notifies the Defaulting Party in writing requiring the Default to be rectified, then the non-defaulting Party is entitled to decide at its own discretion that:
- 11.1.1. if any Company Shareholder or the Company is the Defaulting Party, the WFOE shall be entitled to terminate this Agreement and require the Defaulting Party to indemnify the damages;
- 11.1.2. if the WFOE is the Defaulting Party, the non-defaulting Party shall be entitled to require the Defaulting Party to indemnify the damages, but unless otherwise provided for by the PRC Law, the non-defaulting Party has no right to terminate or cancel this Agreement in any circumstances.
- 11.2 Notwithstanding any other provision herein, the effect of this Article 11 shall not be affected by the termination of this Agreement.

Article 12 Miscellaneous

- 12.1 This Agreement is written in Chinese and executed in four (4) originals, with one (1) original to be retained by each Party hereto.
- 12.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the PRC Law.
- 12.3 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, such dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with such Commission’s arbitration rules in effect at the time of applying for arbitration, and the arbitration award shall be final and binding on the Parties.
- 12.4 None of the rights, powers or remedies granted to any Party by any provision herein shall preclude any other rights, powers or remedies available to such Party at law and under the other provisions of this Agreement. In addition, the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies.
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- 12.5 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the “**Available Rights**”) shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Available Rights shall exclude such Party from exercising such rights in any other way and exercising the other Available Rights.
- 12.6 The headings of the provisions herein are for reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.
- 12.7 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.
- 12.8 This Agreement, when signed, shall supersede any prior other legal documents executed by and among the Parties with respect to the subject matter hereof. Any amendment or supplement hereto shall be made in writing and shall become effective only upon due execution by the Parties hereto.
- 12.9 Without the WFOE’s prior written consent, each Company Shareholder or the Company shall not transfer any of its rights and/or obligations hereunder to any third party. The Company Shareholders and the Company hereby agree that the WFOE is entitled to transfer any of its rights and/or obligations hereunder to any third party upon written notice thereof to the Company Shareholders and the Company.
- 12.10 This Agreement shall be binding on the legal assignees or successors of the Parties.

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[SIGNATURE PAGE]

IN WITNESS WHEREOF, the following Parties have executed this Exclusive Call Option Agreement as of the date first above written.

Xudong ZHU

By: /s/ Xudong ZHU

Zuyu DING

By: /s/ Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Beijing Yisheng Leju Information Services Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Annex 1:

Company's General Information

Company name: Beijing Yisheng Leju Information Services Co., Ltd.
Registered address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing
Registered capital: RMB10,000,000
Shareholding structure:

<u>Shareholder's name</u>	<u>Contribution in registered capital</u>	<u>Percentage of contribution</u>	<u>Method of contribution</u>
Xudong ZHU	RMB8,000,000	80%	Currency
Zuyu DING	RMB2,000,000	20%	Currency
Total	RMB10,000,000	100%	/

Annex 2:

Form of Exercise Notice

To: [Name of the Company Shareholder]

WHEREAS, we, Beijing Yisheng Leju Information Services Co., Ltd. (the "**Company**"), [name of the other Company Shareholder] and you entered into an Exclusive Call Option Agreement (the "**Option Agreement**") on September 10, 2011 and reached an agreement that you shall transfer the equity interest you hold in the Company to us or any third party designated by us at our request to the extent permitted by the PRC laws and regulations.

Therefore, we hereby give this notice to you as follows:

We hereby request to exercise the Equity Transfer Option under the Option Agreement and we/[name of company/individual] designated by us will acquire the [-]% of the equity interest you hold in the Company (the "**Proposed Acquired Equity**"). Upon your receipt of this notice, you shall immediately transfer all the Proposed Acquired Equity to us/[name of designated company/individual] pursuant to the provisions of the Option Agreement.

Regards,

Shanghai SINA Leju Information Technology Co., Ltd.

(Seal)

Authorized representative:

Date:

Annex 3:

Form of Exercise Notice

To: Beijing Yisheng Leju Information Services Co., Ltd.

WHEREAS, we, Xudong ZHU, Zuyu DING and you entered into an Exclusive Call Option Agreement (the "**Option Agreement**") on September 10, 2011 and reached an agreement that you shall transfer your assets to us or any third party designated by us at our request to the extent permitted by the PRC laws and regulations.

Therefore, we hereby give this notice to you as follows:

We hereby require to exercise the Asset Purchase Option under the Option Agreement and we/[name of company/individual] designated by us will acquire the assets owned by you as stated in a separate list (the "**Proposed Acquired Assets**"). Upon your receipt of this notice, you shall immediately transfer all the Proposed Acquired Assets to us/[name of designated company/individual] pursuant to the provisions of the Option Agreement.

Regards,

Shanghai SINA Leju Information Technology Co., Ltd.

(Seal)

Authorized representative:

Date:

LOAN AGREEMENT

BETWEEN

XUDONG ZHU

ZUYU DING

AND

SHANGHAI SINA LEJU INFORMATION TECHNOLOGY CO., LTD.

DATED SEPTEMBER 10, 2011

LOAN AGREEMENT

This **LOAN AGREEMENT** (“**this Agreement**”) is entered into on September 10, 2011 by:

1. XUDONG ZHU

Identity Card Number:

2. ZUYU DING

Identity Card Number:

(XUDONG ZHU and ZUYU DING are collectively referred to as the “**Borrowers**”)

3. SHANGHAI SINA LEJU INFORMATION TECHNOLOGY CO., LTD. (the “Lender”)

Registered Address: Room 11A, 971 Dongfang Road, Pudong New District, Shanghai

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively the “**Parties**”).

WHEREAS:

1. Beijing Yisheng Leju Information Services Co., Ltd. (“**Beijing Yisheng Leju**”) is a limited liability company duly incorporated and validly existing in Beijing, China under the laws of the PRC, mainly operating the internet information service and advertising business, of which the registered address is Room 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing and the registered capital is RMB10,000,000 (in words: ten million Yuan).
2. The Lender has provided a loan to XUDONG ZHU and ZUYU DING respectively for the purpose of obtaining the equity interest of Beijing Yisheng Leju.

In order to clarify the rights and obligations of the Lender and the Borrowers under

the above loan arrangement, the Parties hereby agree as follows:

ARTICLE ONE DEFINITIONS

- 1.1 Unless otherwise specified in this Agreement, the following terms used in this Agreement shall have the meanings prescribed thereto below.
 - “**Loan**” means the loan provided by the Lender to the Borrowers in the amount of RMB10,000,000 (in words: ten million Yuan) pursuant to Article 2.1, among which a loan in the amount of RMB8,000,000 (in words: eight million Yuan) is provided to XUDONG ZHU, and a loan in the amount of RMB2,000,000 (in words: two million Yuan) is provided to ZUYU DING.
 - “**Outstanding Amount**” means the respective unpaid amount payable by the Borrowers under the Loan.
 - “**PRC**” means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong, Macao, and Taiwan.
 - “**Term**” has the meaning prescribed in Article 4.1 hereof.
 - “**Repayment Notice**” has the meaning prescribed in Article 5.2 hereof.
 - “**Repayment Request**” has the meaning prescribed in Article 5.3 hereof.
 - “**Confidential Information**” has the meaning prescribed in Article 7.1 hereof.
 - “**Available Rights**” has the meaning prescribed in Article 10.5 hereof.
- 1.2 Any reference in this Agreement to the following terms shall be interpreted as the following meanings.

“**Article**” shall be interpreted as an article in this Agreement, unless otherwise specified in the context of this Agreement.

“**Taxes**” shall be interpreted to include any taxes, fees, duties, or other charges of the same nature (including but not limited to any penalties or interests related to any unpaid or overdue amount of such Taxes).

“**Borrowers**” or “**Lender**” shall be interpreted to include the successors and assignees of such Party.

- 1.3 Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document shall, as the case may be, be interpreted as the

reference to the amendments, modifications, replacements or supplements to this Agreement or such other agreement or document that are already made or may be made in the future from time to time.

ARTICLE TWO LOAN

- 2.1 Pursuant to the terms and conditions of this Agreement, the Lender agrees to provide the Loan to the borrowers. The Parties confirm that as of the signing date of this agreement, the Lender has provided the Loan in the amount of RMB10,000,000 (in words: ten million Yuan), among which,

The Lender has provided a loan in the amount of RMB8,000,000 (in words: eight million Yuan) to XUDONG ZHU and a loan in the amount of RMB2,000,000 (in words: two million Yuan) to ZUYU DING.

The Borrowers cannot use the Loan under this Agreement unless for the purpose of the investment to Beijing Yisheng Leju or purchase the Equity Interest of Beijing Yisheng Leju. Without the prior written consent of the Lender, the Borrowers cannot use any part of the Loan for any other purpose.

- 2.2 The Parties confirm that the Borrowers shall repay the Loan to the Lender in accordance with, and perform all of its other obligations under, this Agreement.
- 2.3 The Borrowers shall enter into an equity interest pledge agreement with the Lender in accordance with the requirements of the Lender, to pledge, in favor of the Lender, all of its equity interest in Beijing Yisheng Leju, to secure the Borrowers’ performance of all of their obligations under this Agreement. The Borrowers shall also cooperate with the Lender to register the equity interest pledge agreement with the competent administration for industry and commerce.

ARTICLE THREE INTEREST

The Lender confirms that there shall be no interest accruing on the Loan.

ARTICLE FOUR TERM

- 4.1 The term of any part of the Loan under this Agreement shall commence on the date on which the Lender provides the Loan to the Borrowers and end on the earliest of (1) the twentieth (20th) anniversary of the signing date of this Agreement, (2) the expiration date of the business term of the Lender (including its business term as extended), and (3) the expiration date of the business term of Beijing Yisheng Leju (including its business term as extended) (the “**Term**”).

ARTICLE FIVE REPAYMENT

- 5.1 On the expiration date of the Term, unless the Parties unanimously agree to extend the Term to the extent permitted by the applicable laws and regulations, the Borrowers shall fully repay the Outstanding Amount on a one-off basis. Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, all of the equity interest in Beijing Yisheng Leju held by the Borrowers at that time, the purchase price for which shall be equal to the Outstanding Amount.
- 5.2 During the Term, the Lender may, at any time, determine at its sole discretion to accelerate the repayment of the Loan and require any or both of the Borrowers to repay all or any part of the Outstanding Amount by a written notice to any of the Borrowers thirty (30) days in advance (the “**Repayment Notice**”).

If the Lender requires any of the Borrowers to repay any amount pursuant to the previous Paragraph, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in Beijing Yisheng Leju held by such Borrower, the purchase price for which shall be equal to that portion of the Outstanding Amount required to be repaid, and the percentage of the equity interest required to be sold against the equity interest in Beijing Yisheng Leju held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount required to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

- 5.3 To the extent the applicable laws and regulations allow the Lender to hold the equity interest in Beijing Yisheng Leju, any of the Borrowers may, at any time, give a repayment request to the Lender thirty (30) days in advance to request to prepay all or any part of the Outstanding Amount (the “**Repayment Request**”).

Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in Beijing Yisheng Leju held by the Borrower proposing the repayment, the purchase price for which shall be equal to that portion of the Outstanding Amount proposed to be repaid, provided that the percentage of the equity interest required to be sold against the equity interest in Beijing Yisheng Leju held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount proposed to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

5.4 The Borrower required or proposing to repay any amount shall repay the relevant Outstanding Amount in cash or in such other manner as approved by the Lender in writing in advance and permitted by the applicable laws and regulations.

5.5 When the Borrowers repay the Outstanding Amount pursuant to the above provisions of this Article 5, the Parties shall complete the equity interest transfer provided in this Article 5 at the same time to ensure that, at the same time when the Outstanding Amount is repaid, the Lender or any third party designated by the Lender has lawfully and fully accepted the relevant equity interest in Beijing Yisheng Leju pursuant to the above provisions, and such equity interest is free and clear of any pledge or any other form of encumbrance. When the equity interest in Beijing Yisheng Leju is to be transferred pursuant to the above provisions, the Borrowers shall provide all reasonable assistance and shall waive all of their rights of first refusal to purchase such equity interest.

5.6 After the Borrowers transfer all of their equity interest in Beijing Yisheng Leju to the Lender or any third party designated by the Lender and repay all of the Outstanding Amount pursuant to the above provisions of this Article 5, the Borrowers have no obligations of repayment under this Agreement.

ARTICLE SIX TAXES

The Lender shall assume all of the Taxes related to the Loan.

ARTICLE SEVEN CONFIDENTIALITY

7.1 Irrespective of the termination of this Agreement, the Borrowers are obligated to keep confidential the trade secrets, proprietary information, clients' information and all other information of confidential nature related to the Lender that are known to or received by the Borrowers as a result of the execution or performance of this Agreement (collectively the "**Confidential Information**"). The Borrowers shall not use such Confidential Information for any purpose other than for the performance of its obligations under this Agreement. Unless otherwise approved by the Lender in writing in advance or required by the relevant laws or regulations, the Borrowers shall not disclose any of the Confidential Information to any third party.

7.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
 - (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
 - (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.
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7.3 After the termination of this Agreement, the Borrowers shall, as requested by the Lender, return, destroy, or otherwise dispose of all of the documents, datum, or software provided by the Lender that contain any Confidential Information, and stop using the Confidential Information.

7.4 Notwithstanding any other provision of this Agreement, the effect of this Article 7 shall not be affected by the suspension or termination of this Agreement.

ARTICLE EIGHT NOTICE

8.1 Any notice, request, demand or other correspondence required under or in accordance with this Agreement shall be delivered to the related Party in writing.

8.2 The above notice or other correspondence, shall be deemed to be delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

ARTICLE NINE DEFAULT LIABILITIES

9.1 The Borrowers undertake to indemnify the Lender against any actions, charges, claims, costs, damage, demands, expenses, liabilities, losses or procedures suffered or incurred by the Lender due to any breach by the Borrowers of any of their obligations under this Agreement.

9.2 Notwithstanding any other provision of this Agreement, the effect of this Article shall not be affected by the suspension or termination of this Agreement.

ARTICLE TEN MISCELLANEOUS

10.1 This Agreement is written in Chinese in three (3) originals. Each of the Parties to this Agreement shall hold one (1) original.

10.2 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by the laws of the PRC.

10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.

10.4 Any right, power or remedy granted to each of the Parties by any provision of this Agreement shall not preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.

- 10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "**Available Rights**") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.
- 10.6 The headings in this Agreement are written for the ease of reference only, and shall in no event be used for, or affect, the interpretation to this Agreement.
- 10.7 Each provision of this Agreement is severable and independent from any of the other provisions. If at any time any one or more provisions of this Agreement become invalid, illegal or unenforceable, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby.
- 10.8 This Agreement, upon signing, shall supersede any other legal documents executed by the Parties in respect of the subject of this Agreement. Any amendment or supplement to this Agreement shall not come into effect unless made in writing and duly executed by the Parties.
- 10.9 Without the prior written consent of the Lender, the Borrowers shall not transfer any of their rights and/or obligations under this Agreement to any third party. The Lender has the right to transfer any of its rights under this Agreement to any third party upon the prior written notice to the other Parties.

[INTENTIONALLY LEFT BLANK BELOW]

[EXECUTION PAGE]

IN WITNESS WHEREOF, this LOAN AGREEMENT is executed by the following Parties on the date first written above.

XUDONG ZHU

Signature: /s/ Xudong Zhu

ZUYU DING

Signature: /s/ Zuyu DING

SHANGHAI SINA LEJU INFORMATION TECHNOLOGY CO., LTD.

(Seal)

Signature: /seal/

Name:

Title:

Xudong ZHU

Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

AND

Beijing Yisheng Leju Information Services Co., Ltd.

Shareholder Voting Right Proxy Agreement

In respect of Beijing Yisheng Leju Information Services Co., Ltd.

September 10, 2011

Shareholder Voting Right Proxy Agreement

This Shareholder Voting Right Proxy Agreement (this “**Agreement**”) is entered into as of September 10, 2011 by and between the following Parties:

1. Xudong ZHU

ID Card No.:

2. Zuyu DING

ID Card No:

(Xudong ZHU and Zuyu DING are hereinafter referred to individually as a “**Shareholder**” and collectively as the “**Shareholders**”).

3. Shanghai SINA Leju Information Technology Co., Ltd. (hereinafter, the “**WFOE**”)

Registered address: Room 11A, #971 Dongfang Road, Pudong New District, Shanghai

4. Beijing Yisheng Leju Information Services Co., Ltd. (hereinafter, the “**Company**”)

Registered address: Room 806-810, Ideal International Plaza, #58 North Sihuan West Road, Haidian District, Beijing

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

- The Shareholders are the current shareholders of the Company, holding 100% equity interest of the Company.
- The Shareholders intend to severally entrust their voting rights in the Company to the individuals designated by the WFOE, and the WFOE intends to designate the individuals to accept such entrust.

NOW, THEREFORE, the Parties, after friendly consultations, hereby mutually agree below:

Article 1 Voting Right Delegation

1.1 The Shareholders hereby irrevocably undertake to respectively sign a power of attorney in substance and form as set forth in Annex 1 hereof after the signing of this Agreement, to respectively entrust the individuals then designated by the WFOE (hereinafter, the “**Entrusted Persons**”) to exercise, on behalf of each of the Shareholders, the following rights that the Shareholders are entitled to in the capacity of shareholders of the Company under the then effective articles of association of the Company (collectively, the “**Entrusted Rights**”):

- To propose to convene and attend Shareholders’ meetings of the Company as the representative of each of the Shareholders according to the articles of association of the Company;
- To exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other senior management to be appointed

and removed by the Shareholders;

- (3) To exercise other voting rights of the Shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

The above authorization and entrustment are granted on the condition that the Entrusted Persons are PRC citizens and that the WFOE approves such authorization and entrustment. Upon and only upon written notice of dismissing and replacing the Entrusted Person(s) given by the WFOE to each of the Shareholders shall the Shareholder promptly entrust another PRC citizen then designated by the WFOE to exercise the above Entrusted Rights, and the new authorization and entrustment shall, upon the grant supersede the previous authorization and entrustment. The Shareholders shall not revoke the authorization and entrustment to the Entrusted Person(s) unless as provided in this Article.

- 1.2 The Entrusted Persons shall perform their obligations in respect of the entrustment hereunder to the extent authorized hereunder with due care and diligence and in compliance with laws. The Shareholders acknowledge and shall assume liabilities for any legal consequences arising as a result of the Entrusted Persons' exercise of the foregoing Entrusted Rights.
- 1.3 The Shareholders hereby confirm that the Entrusted Persons are not required to seek opinions from the relevant Shareholder prior to their exercise of the foregoing Entrusted Rights. However, the Entrusted Persons shall inform the Shareholders in a timely manner of any resolution or proposal on convening an interim shareholders' meeting after such resolution or proposal is made.

2

Article 2 Right to Information

- 2.1 For the purpose of exercising the Entrusted Rights hereunder, the Entrusted Persons are entitled to know various relevant information of the Company such as those in respect of its operation, business, customers, finance and employees, and shall have access to the relevant documentations and materials of the Company. The Company shall fully cooperate with the Entrusted Persons in this regard.

Article 3 Exercise of the Entrusted Rights

- 3.1 The Shareholders will provide sufficient assistances to the Entrusted Persons with regard to their exercise of the Entrusted Rights, including timely execution where necessary of resolutions of shareholders' meetings adopted by the Entrusted Persons or other pertinent legal documents (e.g., where the same is required in order to submit documents for purpose of governmental approvals, registrations or filings.).
- 3.2 If at any time within the term of this Agreement, the grant or exercise of the Entrusted Rights hereunder is unrealizable for whatever cause (except for default of any Shareholder or the Company), the Parties shall immediately seek the most similar alternative solution and, if necessary, enter into a supplementary agreement to amend or adjust the provisions herein, in order to ensure the realization of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that in no case shall the WFOE be required to be liable to or compensate (monetary or otherwise) the other Parties or any third party in respect of exercise of the Entrusted Rights hereunder by the individuals designated by it.
- 4.2 The Shareholders and the Company agree to indemnify and hold the WFOE free from and harmless against all losses incurred or likely to be incurred due to exercise of the Entrusted Rights by the Entrusted Persons designated by the WFOE, including without limitation, any loss resulted from any litigation, demand, arbitration or claim by any third party against it or from administrative investigation or penalty, PROVIDED, HOWEVER, THAT no indemnification is available for any losses caused by a willful default or gross negligence of the Entrusted Persons.

Article 5 Representations and Warranties

- 5.1 Each Shareholder hereby represents and warrants severally that:
- 5.1.1. It is a Chinese citizen with full capacity of action. It has the complete and

3

independent legal status and legal capacity to execute, deliver and perform this Agreement. It may sue or be sued independently.

- 5.1.2. It has the full power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it; and the full power and authority to consummate the transaction contemplated hereby. This Agreement is duly executed and delivered by it. This Agreement shall constitute its legal and binding obligation and may be enforceable against it in accordance with the terms hereof.
- 5.1.3. It is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for those rights created under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.
- 5.2 Each of the WFOE and the Company hereby represents and warrants severally that:
- 5.2.1 It is a limited liability company duly registered and validly existing under the laws where it is registered and has the independent legal person status. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may sue or be sued independently.

5.2.1 It has the full corporate power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.

5.3 The Company further represents and warrants that:

5.3.1 Each Shareholder is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for the rights under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.

4

Article 6 Term of this Agreement

6.1 Subject to the provisions of Articles 6.2 and 6.3 hereof, the term of this Agreement shall be twenty (20) years, unless it is early terminated by the Parties in writing or pursuant to Article 9.1 hereof. The term of this Agreement will not be extended upon expiration; provided, however, that the term of this Agreement will be automatically extended for one (1) year upon the expiration, if the WFOE gives the other Parties written notice requiring the extension thereof, and the same mechanism will apply subsequently upon the expiration of each extended term.

6.2 This Agreement shall terminate, if the Company or the WFOE, upon expiry of its business term, fails to deal with the approval and registration for the extension thereof.

6.3 If any Shareholder transfers all of the equity interest it holds in the Company to any person with the WFOE's prior consent, the Shareholder will no longer be a Party hereto and the obligations and undertakings of any other Parties hereunder will not be adversely affected.

Article 7 Notices

7.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party(ies).

7.2 The above notices or other correspondence shall be deemed delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

Article 8 Confidentiality

8.1 Regardless of the termination of this Agreement, each Party is obligated to keep strictly confidential trade secrets, proprietary information, clients' information and all other information of confidential nature related to the other Parties that are known to the former Party during the course of its execution and performance of this Agreement (the "**Confidential Information**"). Unless as agreed to by the Party who disclosed the Confidential Information (the "**Disclosing Party**") in writing in advance, or as required by the relevant laws, regulations or the requirements applicable where the publicly listed affiliated company of any Party is located, the receiving party of the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any of such Confidential Information. Except for the purpose of performing this Agreement, the Receiving Party shall not use any Confidential Information.

5

8.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
- (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
- (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

8.3 The Receiving Party may, for the purpose of performing this Agreement, disclose Confidential Information to its relevant employees, agents or professionals engaged by it, provided, however, the Receiving Party shall ensure that such persons shall abide by the relevant terms and conditions of this Article 8, and shall assume any liability incurred as a result of the breach by any of such persons of the relevant terms and conditions of this Article 8.

8.4 Notwithstanding any other provision of this Agreement, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Liabilities for Breach

9.1 The Parties agree and confirm that, if any of the Parties (the "**Breaching Party**") is materially in breach of any provision hereof, or materially fails or delays in performing any of the obligations hereunder, a breach hereof is constituted (a "**Breach**"), and any of the other Parties which does not commit any Breach (a "**Non-breaching Party**") has the right to require that the Breaching Party rectify it or take a remedial action within a reasonable period. If the Breaching Party fails to rectify the Breach or take remedial actions within the reasonable period or within ten (10) days of the other Party's written rectification notice, then:

- 9.1.1. if any Shareholder or the Company is the Breaching Party, the WFOE is entitled to terminate this Agreement and require the Breaching Party to indemnify it against its damage;
- 9.1.2. if the WFOE is the Breaching Party, each of the Non-defaulting Parties is entitled to require the Breaching Party to indemnify it against its damage; but unless otherwise provided for by law, in no case does it have the right to terminate or cancel this Agreement.

9.2 Notwithstanding any other provision herein, the effect of this Article 9 shall not be affected by the suspension or termination of this Agreement.

Article 10 Miscellaneous

10.1 This Agreement is written in Chinese in four (4) originals. Each of the Parties to

6

this Agreement shall hold one (1) original.

10.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by laws of People Republic of China.

10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.

10.4 None of the rights, powers or remedies granted to each of the Parties by any provision of this Agreement shall preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.

10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "Available Rights") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.

10.6 The headings in this Agreement are written for the ease of reference only, and in no event, shall be used for, or affect, the interpretation to this Agreement.

10.7 Each provision herein is separable and independent from all other provisions herein. If any one provision or more provisions of this Agreement become invalid, illegal or unenforceable at any time, the validity, legality and enforceability of other provisions herein shall not be affected.

10.8 This Agreement, after signing, shall supersede any other prior legal documents among the Parties with respect to the subject matter hereof. Any amendment or supplement hereto shall be made in writing and shall not become effective until its due execution by the Parties hereto.

10.9 Without the WFOE's prior written consent, none of the other Parties may transfer any of its rights and/or obligations hereunder to any third party. The Shareholders and the Company hereby agree that the WFOE is entitled to transfer any of its rights and/or obligations hereunder to any third party upon written notice thereof to the Shareholders and the Company.

10.10 This Agreement shall be binding on the legal successors of the Parties.

7

[SIGNATURE PAGE]

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

Xudong ZHU

By: /s/ Xudong ZHU

Zuyu DING

By: /s/ Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

Beijing Yisheng Leju Information Services Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

8

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Xudong ZHU (Domicile [*], ID card No.: [*]) as of September 10, 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Xudong ZHU, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Yisheng Leju Information Services Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai SINA Leju Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of September 10, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Xudong ZHU

Signature: _____

Date:

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Zuyu DING (Domicile [*], ID card No.: [*]) as of September 10, 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Zuyu DING, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Yisheng Leju Information Services Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai SINA Leju Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of September 10, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING

Signature: _____

Date:

Power of Attorney

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I, Xudong ZHU, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Yisheng Leju Information Services Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai SINA Leju Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of September 10, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Xudong ZHU

Signature: /s/ Xudong ZHU

Date: September 10, 2011

Power of Attorney

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- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai SINA Leju Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of September 10, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING

Signature: /s/ Zuyu DING

Date: September 10, 2011

Xudong ZHU

Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

AND

Beijing Yisheng Leju Information Services Co., Ltd.

Equity Pledge Agreement

regarding Beijing Yisheng Leju Information Services Co., Ltd.

September 10, 2011

EQUITY PLEDGE AGREEMENT

This **EQUITY PLEDGE AGREEMENT** (this “**Agreement**”) is entered into in Shanghai, the PRC, on September 10, 2011 by and among:

1. Xudong ZHU

Identity Card No.:

2. Zuyu DING

Identity Card No:

(Xudong ZHU and Zuyu DING are hereinafter referred to individually as a “**Pledgor**” and collectively as the “**Pledgors**”).

3. Shanghai SINA Leju Information Technology Co., Ltd. (the “**Pledgee**”) Registered address: Room 11A, 971 Dongfang Road, Pudong New District, Shanghai

4. Beijing Yisheng Leju Information Services Co., Ltd. (the “**Company**”) Registered address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing (In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

- (1) The Pledgors are the registered shareholders of the Company, legally holding all the equity interest in the Company (the “**Company Equity Interest**”). Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Pledgor in the registered capital of the Company on the signing date of this agreement.
- (2) The Parties to this Agreement entered into the Exclusive Call Option Agreement (the “**Call Option Agreement**”) on September 10, 2011. Under the Call Option Agreement, the Pledgors

1

shall, to the extent permitted by the PRC Law, transfer all or part of the equity interest they hold in the Company to the Pledgee and/or any other entity or individual designated by the Pledgee based on the Pledgee’s request.

- (3) The Parties to this Agreement entered into the Shareholder Voting Rights Proxy Agreement (the “**Proxy Agreement**”) on September 10, 2011. Under the Proxy Agreement, the Pledgors irrevocably delegated the individual then designated by the Pledgee with the full power to exercise on behalf of the Pledgors all their shareholder voting rights in the Company.
- (4) The Company and the Pledgee entered into the Exclusive Technology Service Agreement (the “**Service Agreement**”) on May 8, 2008, whereby the Company exclusively engaged the Pledgee to provide the technology assistances such as relevant technology transfer, technology licensing, technology service, and provision of equipment, etc. to the Company, and agreed to pay the corresponding fee to the Pledgee for such technology assistances.
- (5) The Pledgors and Pledgee entered into a Loan Agreement on September 10, 2011 (the “**Loan Agreement**”). The Pledgee has provided the Pledgors with a loan in the amount of RMB10,000,000 (in words: ten million Yuan).
- (6) As the Pledgors’ security for the performance of the Contractual Obligations (as defined below) and the discharge of the Secured Liabilities (as defined below), the Pledgors are willing to pledge all the Company Equity Interest they hold in favor of the Pledgee and grant the Pledgee the first pledge, and the Company agrees to such equity interest pledge arrangement.

THEREFORE, the Parties, through negotiation, agree as follows:

Article 1 Definitions

1.1 Unless otherwise indicated in the context, in this Agreement, the following terms shall be interpreted as follows.

“**Contractual Obligations**” means all the contractual obligations of the Pledgors under the Call Option Agreement, the Proxy Agreement and the Loan Agreement, all the contractual obligations of the Company under the Call Option Agreement, the Proxy Agreement and the Service Agreement, and all

2

the contractual obligations of the Pledgors and the Company under this Agreement.

“**Secured Liabilities**” means all the direct, indirect and derivative losses and loss of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgors and/or the Company; the basis for determining the amount of such losses includes but not limited to the reasonable commercial plan and profit forecast of the Pledgee; and all the expenses incurred by the Pledgee to enforce the performance by the Pledgors and/or the Company of their Contractual Obligations.

“**Transaction Documents**” means the Call Option Agreement, the Proxy Agreement, the Service Agreement and the Loan Agreement.

“**Event of Default**” means any breach by any Pledgor of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Loan Agreement and/or this Agreement, and any breach by the Company of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Service Agreement and/or this Agreement.

“**Pledged Equity Interest**” means all the Company Equity Interest lawfully owned by the Pledgors and to be pledged to the Pledgee in accordance with this Agreement as the security for the performance of the Contractual Obligations by the Pledgors and the Company (see Appendix 1 for the specific Pledged Equity Interest of each Pledgor), and the increased capital contribution amount and the dividend as provided in Article 2.6 and Article 2.7 of this Agreement.

“**PRC**” means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“**PRC Law**” means the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations, and other binding regulatory documents of the PRC.

1.2 Any reference to any PRC Law in this Agreement shall be deemed (1) to include references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement, and (2) to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.

3

1.3 Unless otherwise specified in the context herein, any reference to an Article, clause, item or paragraph in this Agreement shall refer to the corresponding part of this Agreement.

Article 2 Pledge of Equity Interest

2.1 The Pledgors hereby agree to pledge the Pledged Equity Interest, which they lawfully own and are entitled to dispose of, to the Pledgee in accordance with the provisions of this Agreement as the security for the performance of the Contractual Obligations and the discharge of the Secured Liabilities. The Company hereby agrees to the Pledgors’ pledge of the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.

2.2 The Pledgors undertake to be responsible for registering the equity interest pledge arrangement (the “**Equity Pledge**”) under this Agreement on the Company’s register of shareholders immediately on the signing date of this agreement.

The Parties shall use their best efforts to apply to the registration authority in charge of the Company for registration of the Equity Pledge under this Agreement immediately after the signing of this Agreement.

2.3 During the valid term of this Agreement, unless attributable to the Pledgee’s willful conduct or the Pledgee’s gross negligence with direct causation to the consequence, the Pledgee shall in no way be held liable to any reduction of the value of the Pledged Equity Interest, and the Pledgors have no right to claim any compensation or other request in any way against the Pledgee.

2.4 Without breaching the provisions of Article 2.3 above, if there is any probability that the value of the Pledged Equity Interest will notably reduce which is sufficient to jeopardize the rights of the Pledgee, the Pledgee may at any time auction or sell the Pledged Equity Interest on behalf of the Pledgors, and may reach agreement with the Pledgors to use the proceeds from such auction or sales to prepay the Secured Liabilities or to deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledgee). Further, if requested by the Pledgee, the Pledgors shall offer additional security interest over other property.

2.5 Upon the occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity Interest in accordance with Article 4 of this Agreement.

4

- 2.6 The Pledgors shall not increase the registered capital of the Company without the Pledgee's prior consent. The increased capital contribution amount of the Pledgors in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest.
- 2.7 No dividend or capital bonus on the Pledged Equity Interest shall be distributed to the Pledgors without the Pledgee's prior consent. The Pledgors agree that during the term of pledge, the Pledgee has the right to collect any dividend or capital bonus out of the Pledged Equity Interest. The Company shall pay such amount into the bank account designated by the Pledgee.
- 2.8 The Pledgee has the right to dispose of any of the Pledged Equity Interest of any Pledgor in accordance with this Agreement after the occurrence of any Event of Default.

Article 3 Release of Pledge

- 3.1 After the Pledgors and the Company fully and completely perform all of the Contractual Obligations and discharge all of the Secured Liabilities, the Pledgee shall, upon the Pledgors' request, release the Equity Pledge under this Agreement and cooperate with the Pledgors to cancel the registration of the Equity Pledge on the Company's register of shareholders and with the administration of industry and commerce in charge of the Company. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity Interest

- 4.1 The Parties agree that if any Event of Default occurs, the Pledgee has the right to, by notifying the Pledgors in writing, exercise all the remedial rights and powers that it is entitled to under the PRC Law, the Transaction Documents and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity Interest. The Pledgee shall not be liable to any loss caused by its reasonable exercise of such rights and powers.
- 4.2 The Pledgee has the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and powers above, and neither the Pledgors nor the Company may oppose thereto.
- 4.3 The Pledgee has the right to deduct the reasonable expenses actually incurred from its exercise of all or any part of its rights and powers above from the proceeds gained from its exercise of such rights and powers.

5

- 4.4 The proceeds gained from the Pledgee's exercise of its rights and powers shall be settled in accordance with the following order:

- (1) firstly, pay all expenses arising out of the disposal of the Pledged Equity Interest and the Pledgee's exercise of its rights and powers (including the remuneration paid to its lawyers and agents);
- (2) secondly, pay the taxes and charges payable for the disposal of the Pledged Equity Interest; and
- (3) thirdly, repay the Secured Liabilities to the Pledgee.

If there is any balance after the payment of the above amounts, the Pledgee shall return the balance to the Pledgors or any other person entitled to such amount pursuant to relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred to be assumed by the Pledgee).

- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity Interest under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

- 5.1 All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to the stamp duty, any other taxes and all legal fees and etc., shall be assumed by the Parties respectively.

Article 6 Continuity and No Waiver

- 6.1 The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Liabilities are fully discharged. No waiver or grace period of any default of the Pledgors given by the Pledgee, nor the Pledgee's late exercise of any of its rights under the Transaction Documents and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Documents and the relevant PRC Law to require at any time thereafter the Pledgors to strictly implement the Transaction Documents and this Agreement, or the rights the Pledgee is entitled to with respect to the Pledgors' subsequent breach of the Transaction Documents and/or this Agreement.

6

Article 7 Pledgors' Representations and Warranties

Each of the Pledgors respectively represents and warrants to the Pledgee as follows:

- 7.1 The Pledgors are PRC citizens with full legal capacity, having full civil rights and powers to execute this Agreement and assume the legal obligations in accordance with this Agreement.
- 7.2 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement that the Pledgors provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.

- 7.3 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement to be provided by the Pledgors to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.
- 7.4 Upon the effectiveness of this Agreement, the Pledgors are the sole legal owners of the Pledged Equity Interest. There is no then pending disputes on the ownership of the Pledged Equity Interest. The Pledgors are entitled to dispose of the Pledged Equity Interest or any part thereof.
- 7.5 Except the security interest created over the Pledged Equity Interest under this Agreement and the rights created under the Transaction Documents, there are no other security interest or third party rights or any other encumbrance over the Pledged Equity Interest.
- 7.6 The Pledged Equity Interest can be legally pledged and transferred, and the Pledgors have full rights and powers to pledge the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.
- 7.7 This Agreement, upon due execution by the Pledgors, constitutes the lawful, valid and binding obligations of the Pledgors after the signing of this Agreement.
- 7.8 Any third party approvals, permits, waivers and authorizations, any approvals, permits and waivers of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required), which is required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or completed (subject to clause 2 of Article 2.2), and will be fully effective during the valid term of this Agreement.
- 7.9 Each Pledgor's execution and performance of this Agreement does not violate

7

or conflict with any laws applicable thereto, any agreement to which it is a party or by which its assets is bound, any court adjudication, any arbitration award or any decision of administrative authorities.

- 7.10 The pledge under this Agreement constitutes the security interest over the Pledged Equity Interest with the first priority.
- 7.11 Unless otherwise provided by Equity Interest Transfer Agreement, all taxes and expenses payable for obtainment of the Pledged Equity Interest have been paid by the Pledgors in full.
- 7.12 There is no pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledgors or their property or the Pledged Equity Interest, nor is there any pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledgors or their property or the Pledged Equity Interest, which will have material or adverse effect on the financial conditions of the Pledgors or their abilities to perform their obligations and security liabilities under this Agreement.
- 7.13 The Pledgors hereby undertake to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Liabilities are discharged in full.

Article 8 Company's Representations and Warranties

The Company represents and warrants to the Pledgee as follows:

- 8.1 The Company is a limited liability company duly registered and lawfully existing under the PRC Law with independent legal person status, having independent and full legal status and capacity to execute, deliver and perform this Agreement, and can be an independent party to a lawsuit.
- 8.2 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement which the Company provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.
- 8.3 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement to be provided by the Company to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.

8

- 8.4 This Agreement, upon due execution by the Company, constitutes the lawful, valid and binding obligations of the Company.
- 8.5 It has full internal corporate power and authorization to execute and deliver this Agreement and all other documents related to the transaction contemplated in this Agreement and to be executed by it. It has full power and authorization to complete the transaction contemplated in this Agreement.
- 8.6 There is no pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledged Equity Interest, the Company or its property, nor is there any pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledged Equity Interest, the Company or its property, which will have material or adverse effect on the financial conditions of the Company or the Pledgors' abilities to perform their obligations and security liabilities under this Agreement.
- 8.7 The Company hereby agrees to assume the joint and several liabilities to the Pledgee with respect to the representations and warranties made by each of the Pledgors under Article 7.4, Article 7.5, Article 7.6, Article 7.8 and Article 7.10 of this Agreement.
- 8.8 The Company hereby undertakes to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full and the Secured Liabilities are discharged in full.

Article 9 Pledgors' Undertakings

Each Pledgor hereby respectively undertakes to the Pledgee as follows:

- 9.1 Without the prior written consent of the Pledgee, the Pledgors shall not create, or allow to be created, any new pledge or any other security interest over the Pledged Equity Interest. Any pledge or other security interest created over all or any part of the Pledged Equity Interest without the prior written consent of the Pledgee shall be invalid.
- 9.2 Without the prior written notice to and the prior written consent of the Pledgee, the Pledgors shall not transfer the Pledged Equity Interest and all activities of the Pledgors to transfer the Pledged Equity Interest shall be invalid. The proceeds obtained from the Pledgors' transfer of the Pledged Equity Interest shall be used first to prepay the Secured Liabilities to the Pledgee or to be

9

deposited with a third party as agreed with the Pledgee.

- 9.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledgors or the Pledgee under the Transaction Documents and this Agreement or on the Pledged Equity Interest, the Pledgors undertake to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 9.4 The Pledgors undertake to complete the registration formalities to extend the business term of the Company three months before the expiration of the business term of the Company so as to continue the effect of this Agreement.
- 9.5 The Pledgors shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest. The Pledgors waive the right of first refusal to purchase the Pledged Equity Interest when the Pledgee realizes its pledge rights.
- 9.6 The Pledgors shall, after the signing of this Agreement, use their best efforts and take all necessary measures to register the Equity Pledge under this Agreement with the relevant administration of industry and commerce as soon as possible, and the Pledgors undertake to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.
- 9.7 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Pledgors undertake to take all measures to complete such transfer.
- 9.8 The Pledgors shall ensure that the convening process, voting methods and resolutions of the shareholders meetings and board meetings of the Company convened for the purpose of the exercise of the right of pledge under this Agreement be not in conflict with the laws, administrative regulations or the articles of association of the Company.

Article 10 Company's Undertakings

- 10.1 If any third party approval, permit, waiver or authorization, or any approval, permit or waiver of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required) is required to

10

be obtained or completed for the execution and performance of this Agreement and for the Equity Pledge under this Agreement, the Company shall endeavor to assist in obtaining it and keeping it fully effective during the valid term of this Agreement.

- 10.2 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' creation of any new pledge or other security interest over the Pledged Equity Interest.
- 10.3 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' transfer of the Pledged Equity Interest.
- 10.4 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the Company, the Pledged Equity Interest or the Pledgee's interest under the Transaction Documents and this Agreement, the Company undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 10.5 The Company undertakes to complete the registration formalities to extend its business term three months before the expiration of its business term so as to continue the effect of this Agreement.
- 10.6 The Company shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest, including but not limited to any activity or action restricted under Article 9.
- 10.7 The Company shall, in the first month of each calendar quarter, provide the Pledgee with the financial statements of the Company for the immediately preceding calendar quarter, including but not limited to the balance sheet, the profit and loss statements and the cash flow statements.
- 10.8 The Company undertakes to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.
- 10.9 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Company undertakes to take all measures to complete such transfer.

11

Article 11 Change of Circumstances

11.1 As supplement and not in conflict with the Transaction Documents and the other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, regulations or rules, or the change of interpretation or application of such laws, regulations or rules, or the change of relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such laws, regulations and rules to keep this Agreement effective, to keep the right of pledge under this Agreement effective and/or to dispose of the Pledged Equity Interest in accordance with this Agreement, the Pledgors and the Company shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) keep this Agreement and the right of pledge under this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity Interest in accordance with this Agreement; and/or
- (3) keep or realize the security created or intended by this Agreement.

Article 12 Effectiveness and Term of this Agreement

12.1 This Agreement shall come into effect upon the satisfaction of all of the following conditions:

- (1) this Agreement has been duly executed by the Parties;
- (2) the Equity Pledge under this Agreement has been duly registered on the register of shareholders of the Company.

The Pledgors shall provide the Pledgee with the evidence of the registration of the Equity Pledge on the register of shareholders in form to the satisfaction of the Pledgee, and shall, after the registration of the Equity Pledge is completed and as required by the Pledgee, provide the Pledgee with the pledge certificate issued by the administration of industry and commerce in form to the satisfaction of the Pledgee.

12.2 The term of this Agreement shall end upon the full performance of the Contractual Obligations or the full discharge of the Secured Liabilities.

12

Article 13 Notices

13.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.

13.2 If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 14 Miscellaneous

14.1 The Pledgors and the Company agree that the Pledgee may, upon notice to the Pledgors and the Company, assign the Pledgee's rights and/or obligations hereunder to any third party. However, the Pledgors or the Company shall not, without the Pledgee's prior written consent, assign their rights, obligations or liabilities hereunder to any third party. The successors or permitted assignees (if any) of the Pledgors and the Company shall continue to perform the respective obligations of the Pledgors and the Company under this Agreement.

14.2 When the Pledgee exercises its right of pledge to the Pledged Equity Interest pursuant to the provisions hereof, the amount of the Secured Liabilities determined by the Pledgee at its own discretion shall be regarded as the conclusive evidence of the Secured Liabilities hereunder.

14.3 This Agreement is written in Chinese and executed in five (5) originals, with one (1) original to be retained by each Party hereto. One (1) original is to be used for the application to the administration of industry and commerce in charge of the Company for registration of the Equity Pledge under this Agreement.

14.4 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the PRC Law.

14.5 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, such dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration, and the arbitration award shall be final and binding on the Parties.

14.6 None of the rights, powers or remedies granted to any Party by any provision

13

herein shall preclude any other rights, powers or remedies available to such Party at law and under the other provisions of this Agreement. In addition, the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies.

14.7 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the "Available Rights") shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Available Rights shall exclude such Party from exercising such rights in any other way and exercising the other Available Rights.

14.8 The headings of the provisions herein are for reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.

14.9 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.

14.10 Any amendments or supplements to this Agreement shall be made in writing. Except for assignment by the Pledgee of its rights hereunder according to Article 14.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the Parties to this Agreement. If any amendments or supplements to this Agreement legally require any approval of and/or any registration or filing with any government authority, the Parties shall obtain such approval and/or complete such registration or filing in accordance with law.

14.11 This Agreement shall be binding on the legal successors of the Parties.

14.12 Upon this Agreement taking effect, each Pledgor shall respectively sign a power of attorney (the "Power of Attorney") to authorize any person designated by the Pledgee to sign on the Pledgor's behalf according to this Agreement any and all legal documents necessary for the exercise of the Pledgee's rights hereunder. Such Power of Attorney shall be delivered to the Pledgee to keep in custody and, when necessary, the Pledgee may at any time submit the Power of Attorney to the relevant government authority.

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14

[EXECUTION PAGE]

IN WITNESS WHEREOF, this EQUITY PLEDGE AGREEMENT is executed by the following Parties on the date first written above.

Xudong ZHU

By: /s/ Xudong ZHU

Zuyu DING

By: /s/ Zuyu DING

Shanghai SINA Leju Information Technology Co., Ltd.

(Seal)

By: /seal/

Name :

Title:

Beijing Yisheng Leju Information Services Co., Ltd. (Seal)

By: /seal/

Name:

Title:

APPENDIX 1

COMPANY GENERAL INFORMATION

Company Name: Beijing Yisheng Leju Information Services Co., Ltd.

Registered Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

Registered Capital: RMB10,000,000

Shareholding Structure:

Shareholder name	Contribution in registered capital	Percentage of contribution	Method of contribution
Xudong ZHU	RMB8,000,000	80%	Currency
Zuyu DING	RMB2,000,000	20%	Currency
Total	RMB10,000,000	100%	/

APPENDIX 2

FORM OF POWER OF ATTORNEY

I, [*], hereby irrevocably delegate [*] (identity card number: [*]) to act as my authorized representative to execute all legal documents necessary or useful for Shanghai SINA Leju Information Technology Co., Ltd. to exercise its rights under the “Equity Pledge Agreement regarding Beijing Yisheng Leju Information Services Co., Ltd.” entered into by Beijing Yisheng Leju Information Services Co., Ltd., it and me.

Signature:

Date:

EXCLUSIVE TECHNICAL SUPPORT AGREEMENT

This Agreement is entered into in Haidian District, Beijing as of May 8, 2008 by and between the following Parties:

Party A: **Shanghai SINA Leju Information Technology Co., Ltd.**

Address: Room 22, Floor 11, No. 838 Dongfang Road, Pudong New District, Shanghai

Party B: **Beijing Yisheng Leju Information Service Co., Ltd.**

Address: Room 802, Ideal Plaza, No. 58 Bei Si Huan Xi Road, Haidian District, Beijing

WHEREAS:

- (1) Party A is a limited liability company established and duly existing in Beijing, China, which mainly engages in the business of technology development and technology service for the Internet and wireless value-added telecommunication.
- (2) Party B is a limited liability company registered in Beijing, China, which mainly engages in the business of the Mobile Value-Added Telecommunication Service, the Internet Information Service and the Internet Advertising Service.
- (3) Required for its business, Party B decides to engage Party A as its exclusive technology service provider, to provide Party B with the relevant services such as technology transfer, technology license, technology service and provision of equipment. Party A agrees to provide Party B with the Technology Service in accordance with this Agreement.

THEREFORE, through amicable consultations, the Parties have reached the following agreements on the detailed matters related to the provision of exclusive Technology Service by Party A to Party B.

Article 1 Definitions and Interpretation

- 1.1 **"Websites"** shall mean all websites operated by Party B.
- 1.2 **"Internet Information Service"** shall mean the business of providing the Internet users with various information services via the Internet, including without limitation, search engine, Internet publication, online games, email and development of websites.
- 1.3 **"Mobile Value-Added Telecommunication Service"** shall mean the business of providing the mobile users with value-added services such as mobile information service and navigation service via the service platform connected with the mobile network.
- 1.4 **"Internet Advertising Service"** shall mean the business of publishing online advertisements for the customers via the Internet.
- 1.5 **"Technology Service"** shall mean all technological service provided by Party A to Party B in accordance with this Agreement, including without limitation, technology transfer, technology license, technology service and provision of equipment.

Article 2 Exclusive Cooperation

- 2.1 Party A is Party B's exclusive technology service provider. Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the Technology Service (including without limitation, technology transfer, technology license, technology service and provision of equipment) required for any of the business operated by Party B (including without limitation, the Internet Information Service, the Mobile Value-Added Telecommunication Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis. Without Party A's prior written consent, Party B shall not seek any third party other than Party A to provide any part of the Technology Service under this Agreement in any manner.
- 2.2 Party B agrees that in case Party A objectively does not have the ability to provide Party B with certain part of the Technology Service, Party A may exclusively designate an appropriate third party to provide Party B with such part of the Technology Service in accordance with the terms and conditions provided in this Agreement. Party B further agrees that in any case, Party A is entitled to entrust, without any reason, any properly qualified third party to provide Party B with the Technology Service that should, pursuant to this Agreement, be provided by Party A to Party B. Party B agrees to accept the Technology Service provided by such appropriate third party entrusted by Party A.
- 2.3 In case of any of the following circumstances, Party B is entitled to, at its own discretion, seek any third party to provide the Technology Service:
 - 2.3.1 Party A voluntarily abandons its right to act as an exclusive technology service provider and gives a written consent to the provision of the Technology Service by a third party to Party B;
 - 2.3.2 Party A is objectively unable to provide Party B with certain part of the Technology Service and fails to designate any appropriate third party to provide Party B with such part of the Technology Service; or
 - 2.3.3 Party A decides to neither provide Party B with certain part of the Technology Service nor designate any appropriate third party to provide Party B with such part of the Technology Service.

Article 3 Technology Transfer

- 3.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be purchased for any of Party B's business (including without limitation, the Internet Information Service, the Mobile Value-Added Telecommunication Service and the Internet Advertising

Service) shall be provided by Party A on an exclusive basis. Party A will try its best to develop and transfer to Party B the technology that is required for Party B's business and owned by Party A.

- 3.2 The Parties shall negotiate with each other to enter into specific technology transfer contracts to expressly specify the detail matters such as the technology to be transferred, transfer fees and payment.

Article 4 Technology License

- 4.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be licensed for any of Party B's business (including without

2

limitation, the Internet Information Service, the Mobile Value-Added Telecommunication Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis. Party A will try its best to license Party B to use the technology owned by Party A, or re-license Party B to use the technology as approved by the owner.

- 4.2 The Parties shall negotiate with each other to enter into specific technology license contracts to expressly specify the detail matters such as the technology to be licensed, the method to license the technology, license fees and payment.

Article 5 Technology Service

- 5.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology service (including without limitation, technology support, technology training and technology consulting, see Appendix I to this Agreement (*List of Technology Service*) for details) required for any of Party B's business (including without limitation, the Internet Information Service, the Mobile Value-Added Telecommunication Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis. Party A will try its best to provide Party B with the technology service required for and related to Party B's business.

- 5.2 Party B shall provide all necessary assistance to Party A's provision of technology service, including without limitation:

5.2.1 Party B shall cause its employees to take an appropriately and reasonably prudent attitude when using and operating the system and equipment;

5.2.2 Party B shall notify Party A immediately of any circumstance that may affect Party B's business;

5.2.3 Party B shall allow Party A and its authorized personnel to enter into, at any reasonable time, the premises owned or rent by Party B to place any system or equipment related to Party B's business; and

5.2.4 Any other necessary assistance.

- 5.3 The Parties agree to enter into (if necessary) separate technology service agreements on the details of various technology services during the valid term of this Agreement to specify or adjust the technology services to be provided, the methods to provide such services and the technicians within the framework provided in this Agreement.

- 5.4 With regard to the technology services provided by Party A to Party B, the Parties agree, based on the number of working hours of Party A's engineers to provide the technology services to Party B (on an hourly basis), to calculate the fees for the technology services at the following rates:

5.4.1 for the technology service provided by a Party A's senior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of RMB4,000 per hour per capita;

5.4.2 for the technology service provided by a Party A's mid-level engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of

3

RMB2,000 per hour per capita; and

5.4.3 for the technology service provided by a Party A's junior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the price of RMB1,000 per hour per capita.

- 5.5 Party A shall, within the first five working days of each month, issue a bill to Party B of the working hours for the technology services provided by Party A to Party B during the last month at the rates agreed by the Parties. The bill shall indicate the level of Party A's engineers who provided the technology services to Party B and their respective working hours, and Party B shall, within three working days after its receipt of the bill, pay to Party A the technology service fee in accordance with the amount in the bill.

Article 6 Provision of Equipment

- 6.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the equipment required for any of Party B's business (including without limitation, the Internet Information Service, the Mobile Value-Added Telecommunication Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis or be provided by the equipment supplier designated by Party A. The specific way to provide such equipment (including without limitation, lease, sales and transfer) shall be decided by Party A unilaterally.

- 6.2 The Parties shall negotiate with each other to enter into specific equipment transfer agreements or equipment lease agreements to expressly specify the detail matters such as the method to provide such equipment, price and term.

Article 7 Payment

- 7.1 For the Technology Service provided by Party A to Party B, Party B shall, based on actual circumstances, pay to Party A the technology transfer fee, technology license fee, technology service fee and equipment fee etc. in accordance with the relevant provisions in this Agreement.
- 7.2 For the above fees paid by Party B, Party A shall issue corresponding invoices to Party B.
- 7.3 If Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, Party A may choose any of the following ways of payment for such third party's fees and require Party B to implement:
 - 7.1.1 Party B pays the fees for the Technology Service to the third party directly; or
 - 7.1.2 Party B pays the fees for the Technology Service to Party A directly and Party A is responsible for settling with such third party.
- 7.4 Where Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, if Party A, for whatever reasons, assumes any joint and several liability to such third party due to Party B's reasons, Party B shall compensate Party A for all economic losses incurred thereby.

4

Article 8 Ownership of Assets

- 8.1 The Parties agree that the following assets originated from the Technology Service provided by Party A to Party B shall be owned by Party A:
 - 8.1.1 the words, images, layouts and any other graphic designs or information content created or made by Party A, except those whose copyrights belong to third parties;
 - 8.1.2 the database (including without limitation, the database storing contents and the database storing information of registered users) developed by Party A for Party B and all of the content contained therein; and
 - 8.1.3 any other tangible or intangible assets originated or derived from the Technology Service provided by Party A to Party B in accordance with this Agreement, except those owned by Party B on clear grounds.
- 8.2 Party B recognizes Party A's ownership of the assets above and undertakes not to make any claim on any assets above. Where necessary and requested by Party A, Party B shall provide all necessary assistance (including without limitation, issuing corresponding certificates) to make clear Party A's ownership of the assets above.
- 8.3 During the term of cooperation between the Parties, except as specifically provided in this Agreement or other relevant written agreements that the ownership shall be transferred from Party A to Party B, all assets provided to Party B such as equipment, technology and software shall still be owned by Party A, and Party B shall only have the right of use over the assets during the valid term of this Agreement.

Article 9 Confidentiality

- 9.1 Either Party shall keep confidential any confidential material and information of the other Party known or accessed due to the execution or performance of this Agreement (the "**Confidential Information**"). Without the other Party's written consent, neither Party shall disclose, give or transfer such Confidential Information to any third parties.
- 9.2 If requested by either Party, the other Party shall return, destroy, or otherwise dispose of all of the documents, materials, or software that contain any Confidential Information as requested, and stop using the Confidential Information.
- 9.3 The Parties' obligations under this Article shall survive the termination of this Agreement. Either Party shall still comply with the confidentiality terms of this Agreement and fulfill the confidentiality obligations as promised, until the other Party gives consent to the release of such obligations or as a matter of fact, violation of the confidentiality terms herein will not cause damage of any form to the other Party.

Article 10 Payment of Taxes

- 10.1 The Parties shall respectively pay taxes to relevant tax authorities in accordance with relevant laws, regulations and State policies.
- 10.2 In the event that either Party pays any tax for the other Party, the paying Party shall submit the tax certificate to the payable Party as soon as possible, and the payable Party shall compensate the equivalent amount to the paying Party within seven days after the receipt of such tax certificate.

5

Article 11 Representations, Covenants and Warranties

- 11.1 Either of the Parties represents, covenants and warrants to the other Party as follows:
 - 11.1.1 It is a company lawfully established and duly existing;
 - 11.1.2 It is qualified to conduct the transaction hereunder and such transaction is in line with its business scope;
 - 11.1.3 It has full power to enter into this Agreement, and its authorized representative has obtained full authorization to execute this Agreement on behalf of it;
 - 11.1.4 It has the ability to perform its obligations hereunder, and such performance will not violate any restrictions of legal documents binding upon it;

- 11.1.5 It is not subject to any liquidation, dissolution or bankruptcy procedures.
- 11.2 Party B covenants that during the valid term of this Agreement, Party B shall notify Party A of any change in Party B's shareholding structure thirty days in advance.
- 11.3 Party B covenants that except as required for the works provided in this Agreement, Party B shall not use or copy the trademarks, signs or company names of Party A or its affiliates without Party A's prior written consent.
- 11.4 Party B shall neither conduct, nor allow any third party to conduct any act or omission that is detrimental to Party A's ownership of technology or any other intellectual property or any other rights of Party A.

Article 12 Liability for Breach of Contract

- 12.1 Either Party's direct or indirect violation of any provisions herein or failure in assuming or untimely or insufficient assumption of any of its obligations hereunder shall constitute a breach of contract. The non-breaching Party (the "**Non-Breaching Party**") is entitled to send to the breaching Party (the "**Breaching Party**") a written notice, requesting the Breaching Party to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.2 After the occurrence of breach, in case such breach has made it impossible or unfair for the Non-Breaching Party to perform its corresponding obligations hereunder based on the Non-Breaching Party's reasonable and objective judgments, the Non-Breaching Party is entitled to send to the Breaching Party a written notice of its temporary suspension of performance of corresponding obligations hereunder, until the Breaching Party stops the breach, takes sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.3 The losses of the Non-Breaching Party that should be compensated by the Breaching Party include direct economic losses and any foreseeable indirect losses and extra expenses incurred by the breach, including without limitation, the attorneys' fee, litigation and arbitration fee, financial expense and travel charge.

6

Article 13 Force Majeure

- 13.1 "**Force Majeure**" shall mean events beyond the reasonable control of the Parties that are unforeseeable or foreseeable but unavoidable, which cause obstruction in, impact on or delay in either Party's performance of part or all of its obligations in accordance with this Agreement, including without limitation, government acts, natural disasters, wars, hacker attacks or any other similar events.
- 13.2 The Party affected by Force Majeure may suspend the performance of relevant obligations hereunder that cannot be performed due to Force Majeure until the effects of Force Majeure are eliminated, without having to assume any liability for breach of contract, provided however that, such Party shall endeavor to overcome such events and reduce the negative effects to the best of its abilities.
- 13.3 The Party affected by Force Majeure shall provide the other Party with valid certificate documents verifying the occurrence of Force Majeure events, which documents shall be issued by the notary office where the events occur (or other appropriate agencies). In case the Party affected by Force Majeure cannot provide such certificate documents, the other Party may request it to assume the liability for breach of contract in accordance with this Agreement.

Article 14 Effectiveness, Amendment and Termination

- 14.1 This Agreement takes effect as of the date when it is signed and stamped by the authorized representatives of the Parties, and shall be terminated on the date when Party B dissolves according to law.
- 14.2 Unless provided otherwise herein, Party A is entitled to immediately early terminate this Agreement unilaterally by sending a written notice upon any of the followings happening to Party B:
- 14.2.1 Party B breaches this Agreement, and within thirty (30) days after Party A sends out the written notice, fails to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate Party A for any losses incurred by the breach.
- 14.2.2 Party B is bankrupt or is subject to any liquidation procedure and such procedure is not revoked within seven (7) days; and
- 14.2.3 due to any event of Force Majeure, Party B's failure to perform this Agreement lasts for over twenty (20) days.
- 14.3 Except as provided in the immediate precedent clause, Party B agrees that Party A is entitled to early terminate this Agreement at any time by sending a written notice twenty days in advance without any reason. However, Party B is not entitled to early terminate this Agreement unless as provided herein.
- 14.4 The early termination of this Agreement shall not affect the rights and obligations of the Parties arising out of this Agreement prior to the early termination date.

7

Article 15 Delivery of Notice

- 15.1 Notices relevant to this Agreement sent by one Party to the other shall be made in written form and delivered in person, or by fax, telegram, telex or email, or by registered mail (postage paid) or express mail. As to those delivered in person or by fax, telegram, telex or email, the delivery date shall be the date when it is sent; as to those delivered by registered mail (postage paid) or express mail, the delivery date shall be the third day after it is sent.

Article 16 Dispute Resolution

- 16.1 With regard to disputes arising out of the interpretation and performance of the terms hereunder, the Parties shall resolve the disputes through consultations in good faith.

16.2 In case no resolution can be made, the dispute shall be submitted to China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with its arbitration rules then effective. The arbitration shall be conducted in Chinese. The arbitration award shall be final and binding upon the Parties.

16.3 The conclusion, effectiveness, implementation and interpretation of this Agreement and resolution of disputes shall all be governed by the PRC laws.

Article 17 Miscellaneous

17.1 This Agreement is written in two originals. Each of the Parties shall hold one original with each having the same legal effect.

17.2 The headings in this Agreement are written for the ease of reference only, and in no event shall they affect the interpretation of any terms of this Agreement.

17.3 The Parties may amend and supplement this Agreement in the way of a written agreement. Amendment agreements and supplement agreements executed by the Parties are both part of this Agreement, having the same legal effect as this Agreement.

17.4 In case any term herein becomes all or partly invalid or unenforceable due to the violation of law or governmental regulations or other reasons, the affected part of such term shall be considered to have been removed, provided however that, the removal of the affected part of such term shall not affect the legal effect of the remaining part of such term or other terms herein. The Parties shall conclude new terms through consultations to replace such invalid or unenforceable terms.

17.5 Unless provided otherwise, a Party's failure or delay in exercising any of the rights, powers or privileges that it is entitled to under this Agreement shall not be considered its waiver of such rights, powers or privileges, nor shall any single or partial exercise of any rights, powers or privileges by a Party preclude its exercise of other rights, powers or privileges.

17.6 This Agreement constitutes all agreements reached by the Parties on the subject matter of the cooperation project, and supersedes any previous or concurrent oral and written agreement, understanding and correspondence relevant to the subject matter of the cooperation project between the Parties. Unless specifically provided herein, there is no other explicit or implicit obligation or covenant between the Parties.

8

17.7 Matters not covered in this Agreement shall be determined by the Parties separately through consultations.

Shanghai SINA Leju Information Technology Co., Ltd.

Authorized Representative: _____ /seal/

Beijing Yisheng Leju Information Service Co., Ltd.

Authorized Representative: _____ /seal/

9

Appendix I: List of Technology Service

The Parties agree that, the technology services described in this Agreement includes without limitation:

1 Technology Support for Mobile Value-Added Telecommunication Service

1.1 Party A agrees to act as Party B's technology service provider and provide Party B with the technology services required for the operation of the Mobile Value-Added Telecommunication Service in accordance with the conditions of this Agreement, with the specific content including without limitation, the following items in connection with the Mobile Value-Added Telecommunication Service:

- 1.1.1 Development, update and upgrade of the client side software;
- 1.1.2 Development, update and upgrade of the web server side software;
- 1.1.3 Technology development and maintenance of the database;
- 1.1.4 Technology development of the system;
- 1.1.5 General design scheme of the system;
- 1.1.6 Installation and debugging of the system;
- 1.1.7 Trial run and testing of the system;
- 1.1.8 Installation and debugging of the system's expansion;
- 1.1.9 Inspection and maintenance of the hardware equipment for operation;
- 1.1.10 Daily maintenance of the system software;
- 1.1.11 Improvement and upgrade of the system software.

Article 2 Technology Support for Internet Information Service

- 2.1 Party A agrees to provide Party B with the technology services in connection with the Internet Information Service. The specific content of the technology services includes without limitation:
- 2.1.1 Development, update and upgrade of the client side software;
 - 2.1.2 Development, update and upgrade of the web server side software;
 - 2.1.3 Technology development and maintenance of the database;
 - 2.1.4 Technology development of the system, general design, testing, installation and debugging, installation and debugging of the expansion, inspection and maintenance of the hardware equipment for operation, daily maintenance of the software, improvement and upgrade of the software in connection with the Internet Information Service.

10

- 2.2 Compilation, gathering statistics and integration as well as database programming and design of technical platform of various information required to be used by Party B in the operation of the Internet Information Service, including without limitation, news, finance and economics, science and technology, sports, entertainment, games, fashion, education, medical treatment, health, culture and resources of professionals, assisting in the determination of the framework and channel structural design of the same, and provision of content update services at the technical level.
- 2.3 Providing Party B with design and technical support of web pages, and assisting Party B in providing end users with relaxing and friendly interfaces of various services such as news browsing, shopping, medical treatment, chatting, entertainment, search and registration.
- 2.4 With regard to the system software required for the website operation that is provided by Party A to Party B, Party A shall provide Party B with materials and documents of the system such as user guide and manual of such system software for the website operation.
- 2.5 In case that Party B needs to change the system environment of the website, including operating system environment, database environment and so forth, where Party A's assistance is required, Party A shall provide corresponding solutions.
- 2.6 Assisting Party B in resolving problems occurred during the process of installation and operation of the website operating equipment.

Article 3 Technology Support for Internet Advertising Service

- 3.1 Party A agrees to provide Party B with the technology services in connection with the Internet Advertising Service. The specific content of the technology services includes without limitation:
- 3.1.1 Development, update and upgrade of the Internet advertisement publishing software;
 - 3.1.2 Installation and debugging of the Internet advertisement publishing software;
 - 3.1.3 Technical maintenance of the Internet advertisement publishing software;
 - 3.1.4 Design and production of Internet advertisements.

Article 4 Technology Training

- 4.1 Party A agrees to provide Party B and staff of Party B with the following training:
- 4.1.1 Skills training in respect of the installation and operation of equipment and facilities;
 - 4.1.2 Training on providing appropriate customer services or techniques and other aspects;
 - 4.1.3 Training on using the on-line editing software.

11

Article 5 Technology Consulting

- 5.1 To provide consulting service for the purchase of relevant equipment and software and hardware system required for Party B's operation of the Internet Information Service, including without limitation, to provide technical advice for the selection and installation and debugging of various tool software, application software and technical platform, and the purchase, types and performance of various matching hardware facilities and equipment.
- 5.2 With regard to the technical projects designated by Party B, Party A agrees to provide Party B with technology consulting services such as technological demonstration, technological forecasting, special technological investigation and analysis and assessment report.
- 5.3 To provide technology consulting services for the application of the Internet software, hardware, equipment and system on-line editing software installed or to be installed by Party B.
- 5.4 To provide Party B with the following information: investigation, analysis and assessment report of the trend, technology, expense and income of domestic, foreign and Party B's various Internet services (including special Internet services).

- 5.5 Party B may conduct inquiries or function consulting on specific technical problems with Party A's technical support department in the way of email, telephone and fax and etc. Party A's engineers will reply to the questions and assist the clients in resolving the problem.
- 5.6 In case of emergencies that Party B is unable to handle, Party A's engineers, upon consent by Party B, may conduct remote login to check the system status and resolve the problem.
- 5.7 Party A may, within its ability, satisfy the other technology consulting requirements raised by Party B.

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Zuyu DING

Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

AND

Shanghai Yi Xin E-Commerce Co., Ltd.

Exclusive Call Option Agreement

In Respect Of Shanghai Yi Xin E-Commerce Co., Ltd.

December 5, 2011

EXCLUSIVE CALL OPTION AGREEMENT

This **EXCLUSIVE CALL OPTION AGREEMENT** (this “**Agreement**”) is entered into as of December 5, 2011 by and among the following parties:

1. Zuyu DING

Identity Card No.:

2. Weijie MA

Identity Card No.:

(Zuyu DING and Weijie MA are hereinafter referred to individually as a “**Company Shareholder**” and collectively as the “**Company Shareholders**”.)

3. Shanghai Yi Yue Information Technology Co., Ltd. (the “WFOE”)

Registered address: Room 103, Building 1, No. 84, Lane 453, Hutai Road, Shanghai

4. Shanghai Yi Xin E-Commerce Co., Ltd. (the “Company”)

Registered address:

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.)

WHEREAS:

- (1) The Company Shareholders are the registered shareholders of the Company, legally holding all the equity interest in the Company. Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Company Shareholder in the registered capital of the Company as of the date when this Agreement is signed.
- (2) To the extent not in violation of the PRC Law, the Company Shareholders intend to transfer all their respective equity interest in the Company to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (3) To the extent not in violation of the PRC Law, the Company intends to transfer its assets to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (4) For the purpose of the foregoing equity interest and asset transfer, the Company Shareholders and the Company agree to grant to the WFOE the exclusive and irrevocable Equity Transfer Option (as defined below) and Asset Purchase Option (as defined below) respectively. Pursuant to such Equity Transfer Option and Asset Purchase Option, at the

WFOE’s request, the Shareholders or the Company shall, to the extent permitted by the PRC Law, transfer the Option Equity (as defined below) or the Company Assets (as defined below) to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

- (5) The Company agrees that the Company Shareholders grant the Equity Transfer Option to the WFOE pursuant to the provisions of this Agreement.
- (6) The Company Shareholders agree that the Company grants the Asset Purchase Option to the WFOE pursuant to the provisions of this Agreement.

NOW, THEREFORE, the Parties, after consultations, hereby agree as follows:

Article 1 Definitions

1.1 As used in this Agreement, the following terms shall be interpreted to have the following meanings, unless otherwise interpreted pursuant to the context:

“**Equity Transfer Option**” shall mean the option to purchase the equity interest in the Company as granted to the WFOE by the Company Shareholders pursuant to the terms and conditions of this Agreement.

“**Asset Purchase Option**” shall mean the option to purchase any Company Assets as granted to the WFOE by the Company pursuant to the terms and conditions of this Agreement.

“**Option Equity**” shall mean, in respect of each of the Company Shareholders, all the equity interest held by him in the Company Registered Capital respectively; in respect of all the Company Shareholders, the equity interest covering 100% of the Company Registered Capital.

“**Company Registered Capital**” shall mean the registered capital of the Company as of the signing date of this Agreement, i.e. RMB15,000,000, which shall include any expanded registered capital as a result of any capital increase in any form within the term of this Agreement.

“**Transferred Equity**” shall mean the equity interest in the Company which the WFOE has the right to request either of the Company Shareholders to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Equity Transfer Option, the quantity of which may be all or part of the Option Equity and the specific amount of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“**Transferred Assets**” shall mean the Company Assets which the WFOE has the right to require the Company to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Asset Purchase Option, the quantity of which may be all or part of the Company Assets and the details of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“**Exercise of Option**” shall mean the exercising of the Equity Transfer Option or the Asset Purchase Option by the WFOE.

“**Transfer Price**” shall mean all the consideration that the WFOE or its designated entity or individual is required to pay to the Company Shareholders or the Company in order to obtain the Transferred Equity or the Transferred Assets upon each Exercise of Option.

“**Business Permits**” shall mean any approvals, permits, filings, registrations, etc which the Company is required to have for legally and validly operating all its businesses, including without limitation, Business License of Corporate Legal Person, Operation Permit of Value-added Telecommunication Service and such other relevant permits and licenses as required by the then-effective PRC Law.

“**Company Assets**” shall mean all the tangible and intangible assets which the Company owns or has the right to dispose of during the valid term of this Agreement, including without limitation, any immovable and moveable assets, intellectual property rights such as trademarks, copyrights, patents, know-how, domain names and software use rights, and any investment interest.

“**Material Asset**” shall mean any asset which has a book value of RMB100,000 or more or has a material effect on the business operations of any Party.

“**Material Agreement**” shall mean, in respect of the Company, any agreement to which the Company is a party and which has a material effect on the business or assets of the Company; in respect of a Subsidiary, any agreement to which such Subsidiary is a party and which has a material effect on the business or assets of such Subsidiary.

“**PRC**” shall mean the People’s Republic of China, which, for purpose of this Agreement only, excludes Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“**PRC Law**” shall mean the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding regulatory documents of the PRC.

“**Exercise Notice**” shall have the meaning prescribed to such term in Article 3.7 hereof.

“**Subsidiary**” shall have the meaning prescribed to such term in Article 6.1.10 hereof.

“**Confidential Information**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Disclosing Party**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Receiving Party**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Defaulting Party**” shall have the meaning prescribed to such term in Article 11.1 hereof.

“**Default**” shall have the meaning prescribed to such term in Article 11.1 hereof.

“**Available Rights**” shall have the meaning prescribed to such term in Article 12.5 hereof.

1.2 The references to any PRC Law herein shall be deemed:

(1) simultaneously to include the references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement; and

(2) simultaneously to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.

1.3 Except as otherwise stated in the context herein, all references to an Article, clause, item or paragraph shall refer to the corresponding part of this Agreement.

Article 2 Grant of Equity Transfer Option and Asset Purchase Option

2.1 The Company Shareholders hereby severally and jointly agree to grant the WFOE an irrevocable, unconditional and exclusive Equity Transfer Option. Pursuant to such Equity Transfer Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company Shareholders to transfer the Option Equity to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Equity Transfer Option.

2.2 The Company hereby agrees that the Company Shareholders grant such Equity Transfer Option to the WFOE according to Article 2.1 above and other provisions of this Agreement.

2.3 The Company hereby agrees to grant the WFOE an irrevocable, unconditional and exclusive Asset Purchase Option. Pursuant to such Asset Purchase Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company to transfer all or part of the Company Assets to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Asset Purchase Option.

2.4 The Company Shareholders hereby severally and jointly agree that the Company grants such Asset Purchase Option to the WFOE according to Article 2.3 above and other provisions of this Agreement.

Article 3 Method of Exercise of Option

3.1. Subject to the terms and conditions of this Agreement, the WFOE shall have the absolute sole discretion to determine the specific time, method and times of its Exercise of Option to the extent permitted by the PRC Law.

3.2. Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at any time, request to acquire the Transferred Equity from the Company Shareholders by itself or through any other entity or individual designated by it.

3.3. Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at

any time, request to acquire the Transferred Assets from the Company by itself or through any other entity or individual designated by it.

3.4. With regard to the Equity Transfer Option, at each Exercise of Option, the WFOE shall have the right to arbitrarily determine the amount of the Transferred Equity to be transferred by the Company Shareholders to the WFOE and/or any other entity or individual designated by it. The Company Shareholders shall respectively transfer the Transferred Equity to the WFOE and/or any other entity or individual designated by it in the amount requested by the WFOE. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price with respect to the Transferred Equity acquired at each Exercise of Option to the Company Shareholder transferring such Transferred Equity.

3.5. With regard to the Asset Purchase Option, at each Exercise of Option, the WFOE shall have the right to determine the specific Company Assets to be transferred by the Company to the WFOE and/or any other entity or individual designated by it. The Company shall transfer the Transferred Assets to the WFOE and/or any other entity or individual designated by it in accordance with the WFOE's requirement. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price to the Company with respect to the Transferred Assets acquired at each Exercise of Option.

3.6. At each Exercise of Option, the WFOE may acquire the Transferred Equity or Transferred Assets by itself or designate any third party to acquire all or part of the Transferred Equity or Transferred Assets.

3.7. Having decided each Exercise of Option, the WFOE shall issue to the Company Shareholders or the Company a notice for exercising the Equity Transfer Option or a notice for exercising the Asset Purchase Option (the "**Exercise Notice**", the form of which are set out in Annex 2 and Annex 3 hereto). The Company Shareholders or the Company shall, upon receipt of the Exercise Notice, forthwith transfer all the Transferred Equity or Transferred Assets in accordance with the Exercise Notice to the WFOE and/or any other entity or individual designated by the WFOE in such method as described in Article 3.4 or Article 3.5 hereof.

Article 4 Transfer Price

4.1. With regard to the Equity Transfer Option, the total Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to each Company Shareholder at each Exercise of Option by the WFOE shall be the capital contribution mirrored by the corresponding Transferred Equity in the Company Registered Capital. But if the lowest price permitted by the then-effective PRC Law is higher than the above capital contribution, the Transfer Price shall be the lowest price permitted by the PRC Law.

4.2. With regard to the Asset Purchase Option, the Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to the Company at each Exercise of Option by the WFOE shall be the net book value of the relevant Transferred Assets. But if the lowest price permitted by the then-effective PRC Law is higher than the net book value of the Transferred Assets, the Transfer Price shall be the lowest price permitted by the PRC Law.

Article 5 Representations and Warranties

5.1 The Company Shareholders hereby severally and jointly represent and warrant that:

- 5.1.1. Each of the Company Shareholders is a Chinese citizen with full capacity. Each of them has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.1.2. The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.1.3. Each of them has the full power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by him. Each of them has the full power and authority to consummate the transaction contemplated hereby.
- 5.1.4. This Agreement is legally and duly executed and delivered by the Company Shareholders. This Agreement shall constitute their legal and binding obligations and shall be enforceable against them in accordance with the terms of this Agreement.
- 5.1.5. The Company Shareholders are the legitimate owners of the Option Equity as of the effective date of this Agreement, and except for the rights created under the Equity Pledge Agreement and Shareholder Voting Rights Proxy Agreement executed by the Company, the WFOE and the Company Shareholders on the date hereof, the Option Equity is free from and clear of any lien, pledge, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Transferred Equity, free from and clear of any lien, pledge, claim and other encumbrances or third party rights.
- 5.1.6. To the knowledge of the Company Shareholders, the Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
- 5.1.7. The execution, delivery and performance by the Company Shareholders of this Agreement and the consummation by the Company Shareholders of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which they are bound.

5.2 The Company hereby represents and warrants that:

-
- 5.2.1 The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
 - 5.2.2 The Company has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
 - 5.2.3 This Agreement is legally and duly executed and delivered by the Company. This Agreement shall constitute the legal and binding obligation against it.
 - 5.2.4 The Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
 - 5.2.5 The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which it is bound.

5.3 The WFOE hereby represents and warrants that:

- 5.3.1. The WFOE is a wholly foreign-owned enterprise duly registered and legitimately existing under the PRC Law with an independent legal personality. The WFOE has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.3.2. The WFOE has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
- 5.3.3. This Agreement is legally and duly executed and delivered by the WFOE. This Agreement shall constitute the legal and binding obligation against it.

Article 6 Undertakings by the Company Shareholders

Each of the Company Shareholders hereby severally undertakes that:

6.1 Within the valid term of this Agreement, without the WFOE's prior written consent:

- 6.1.1. any Company Shareholder shall not transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity;

6.1.2. he shall not increase or decrease the Company Registered Capital or cause or permit the Company to be divided or merged with any other entity;

6.1.3. he shall not dispose of or cause the management of the Company to dispose of any Material Asset (other than in the ordinary course of business), or create any encumbrance or other third party rights on any Material Asset;

6.1.4. he shall not terminate or cause the management of the Company to terminate any Material Agreement entered into by the Company, or enter into any other agreement in conflict with the existing Material Agreements;

- 6.1.5. he shall not appoint or dismiss and replace any director or supervisor of the Company or any other management personnel of the Company who shall be appointed or dismissed by the Company Shareholders;
- 6.1.6. he shall not cause the Company to declare the distribution of or in practice release any distributable profit, dividend, share profit or share interest;
- 6.1.7. he shall ensure that the Company validly exists and is not terminated, liquidated or dissolved;
- 6.1.8. he shall not amend the articles of association of the Company;
- 6.1.9. he shall ensure that the Company will not lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business; and
- 6.1.10. it shall not cause the Company or the management of the Company to approve any of the following acts of any of the Company's subsidiaries or affiliates (collectively, the "**Subsidiaries**");
- (a) increase or decrease any Subsidiary's registered capital or cause or permit any Subsidiary to be divided or merged with any other entity;
 - (b) dispose of or cause the management of the Subsidiaries to dispose of any Material Asset of any Subsidiary (other than in the ordinary course of business), or create any encumbrance or other third party rights on such assets;
 - (c) terminate or cause the management of the Subsidiaries to terminate any Material Agreement entered into by any Subsidiary, or enter into any other agreement in conflict with the existing Material Agreements;
 - (d) appoint or dismiss and replace any director or supervisor of any Subsidiary or any other management personnel of such Subsidiary who shall be appointed or dismissed by the Company;
 - (e) terminate, liquidate or dissolve any Subsidiary or act in any way that damages or is likely to damage the valid existence of any Subsidiary;
 - (f) amend the articles of association of any Subsidiary; and

(g) lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business.

- 6.2 Within the valid term of this Agreement, he shall use his best endeavor to develop the business of the Company and ensure that the Company's operations are legal and in compliance with the regulations, and he will not engage in any act or omission which may damage the Company's (including the Subsidiaries') assets and goodwill or affect the validity of the Business Permits of the Company.
- 6.3 Within the valid term of this Agreement, he shall timely notify the WFOE of any circumstances that may have a material adverse effect on the existence, business operations, financial conditions, assets or goodwill of the Company (including the Subsidiaries) and timely take all the measures approved by the WFOE to remove such adverse circumstances or take effective remedial measures with respect thereto.
- 6.4 Once the WFOE gives the Exercise Notice,
- 6.4.1. he shall promptly convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve any Company Shareholder or the Company to transfer all the Transferred Equity or the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and waive any preemptive right to purchase enjoyed by him (if any);
 - 6.4.2. he shall promptly enter into an equity transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Equity at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE and provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Equity, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Equity.
- 6.5 If the total Transfer Price obtained by any Company Shareholder with respect to the Transferred Equity held by him is higher than the capital contribution corresponded with such Transferred Equity in the Company Registered Capital, or he receives any form of profit distribution, share profit, share interest or dividend from the Company, then such Company Shareholder agrees to, to the extent no in violation of the PRC Law, waive the premium earnings and any profit distribution, share profit, share interest or dividend (after the deduction of relevant taxes) and the WFOE is entitled thereto. Otherwise, such Company Shareholder shall compensate the WFOE and/or any other entity or individual designated by the WFOE for any loss incurred as a result thereof.

Article 7 Undertakings by the Company

- 7.1 The Company hereby undertakes that:
- 7.1.1. If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority needs to be obtained or handled with respect to the execution and performance of this Agreement and the grant of the Equity Transfer Option or Asset Purchase Option hereunder, the Company shall endeavor to assist in satisfying the above conditions.
 - 7.1.2. Without the WFOE's prior written consent, the Company shall not assist or permit the Company Shareholders to transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity.

7.1.3. Without the WFOE's prior written consent, the Company shall not transfer or otherwise dispose of any Material Asset (other than in the ordinary course of business) or create any encumbrance or other third party rights on any Company Assets.

7.1.4. The Company shall not do or permit to be done any behavior or action that may adversely affect the interests of the WFOE under this Agreement, including without limitation, any behavior and action that is subject to Article 6.1.

7.2 With the valid term of this Agreement, once the WFOE gives the Exercise Notice,

7.2.1 it shall promptly cause the Company Shareholders to convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve the Company to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE;

7.2.2 it shall promptly enter into an asset transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and cause the Company Shareholders to provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Assets, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Assets.

Article 8 Confidentiality Obligations

8.1 Regardless of whether this Agreement is terminated or not, each Party shall keep

strictly confidential all the business secrets, proprietary information, customer information and all other information of a confidential nature about the other Parties known by it during the execution and performance of this Agreement (collectively, the "**Confidential Information**"). Unless a prior written consent is obtained from the Party disclosing the Confidential Information (the "**Disclosing Party**") or unless it is required to be disclosed to third parties according to the stipulation of relevant laws and regulations or the requirement of the place where its affiliate is listed on a stock exchange, the Party receiving the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any Confidential Information. The Receiving Party shall not use any Confidential Information other than for the purpose of performing this Agreement.

8.2 The following information shall not be deemed part of the Confidential Information:

(a) any information that has been lawfully acquired by the receiving Party before as evidenced by written documents;

(b) any information entering the public domain not attributable to the fault of the Party receiving the information; or

(c) any information lawfully acquired by the Party receiving the information through other sources after its receipt of such information.

8.3 For purpose of performing this Agreement, the Receiving Party may disclose the Confidential Information to its relevant employees, agents or professionals retained by it. However, the Receiving Party shall ensure that the aforesaid persons shall comply with the relevant terms and conditions of this Article 8. In addition, the Receiving Party shall be responsible for any liability incurred as a result of such persons' breach of the relevant terms and conditions of this Article 8.

8.4 Notwithstanding any other provision herein, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Term of Agreement

This Agreement shall become effective immediately upon the signing of this agreement by all parties. This Agreement shall terminate after all the Option Equity and the Company Assets are lawfully transferred to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

Article 10 Notices

10.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.

10.2 If any of such notice or other correspondences is transmitted by facsimile or

telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 11 Defaulting Liability

11.1 The Parties agree and confirm that, if any of the Parties (the "**Defaulting Party**") substantially violates any agreement herein or substantially fails to perform or delays performance of any of the obligations hereunder, such violation, failure or delay shall constitute a default under this Agreement (a "**Default**"). The non-defaulting Party shall have the right to request the Defaulting Party to rectify or take remedial actions within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial actions within such reasonable period or within ten (10) days after the non-defaulting Party notifies the Defaulting Party in writing requiring the Default to be rectified, then the non-defaulting Party is entitled to decide at its own discretion that:

11.1.1. if any Company Shareholder or the Company is the Defaulting Party, the WFOE shall be entitled to terminate this Agreement and require the Defaulting Party to indemnify the damages;

11.1.2. if the WFOE is the Defaulting Party, the non-defaulting Party shall be entitled to require the Defaulting Party to indemnify the damages, but unless otherwise provided for by the PRC Law, the non-defaulting Party has no right to terminate or cancel this Agreement in any circumstances.

11.2 Notwithstanding any other provision herein, the effect of this Article 11 shall not be affected by the termination of this Agreement.

Article 12 Miscellaneous

12.1 This Agreement is written in Chinese and executed in four (4) originals, with one (1) original to be retained by each Party hereto.

12.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the PRC Law.

12.3 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, such dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration, and the arbitration award shall be final and binding on the Parties.

12.4 None of the rights, powers or remedies granted to any Party by any provision herein shall preclude any other rights, powers or remedies available to such Party at law and under the other provisions of this Agreement. In addition, the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies.

12.5 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the "Available Rights") shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Available Rights shall exclude such Party from exercising such rights in any other way and exercising the other Available Rights.

12.6 The headings of the provisions herein are for reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.

12.7 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.

12.8 This Agreement, when signed, shall supersede any prior other legal documents executed by and among the Parties with respect to the subject matter hereof. Any amendment or supplement hereto shall be made in writing and shall become effective only upon due execution by the Parties hereto.

12.9 Without the WFOE's prior written consent, each Company Shareholder or the Company shall not transfer any of its rights and/or obligations hereunder to any third party. The Company Shareholders and the Company hereby agree that the WFOE is entitled to transfer any of its rights and/or obligations hereunder to any third party upon written notice thereof to the Company Shareholders and the Company.

12.10 This Agreement shall be binding on the legal assignees or successors of the Parties.

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[SIGNATURE PAGE]

IN WITNESS WHEREOF, the following Parties have executed this Exclusive Call Option Agreement as of the date first above written.

Zuyu DING

By: /s/ Zuyu DING

Weijie MA

By: /s/ Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Shanghai Yi Xin E-Commerce Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Company's General Information

Company name: Shanghai Yi Xin E-Commerce Co., Ltd.
Registered address:
Registered capital: RMB15,000,000
Legal representative: Zuyu DING
Shareholding structure:

Shareholder's name	Contribution in registered capital	Percentage of contribution	Method of contribution
Zuyu DING	RMB10,500,000	70%	Currency
Weijie MA	RMB4,500,000	30%	Currency
Total	RMB15,000,000	100%	/

Annex 2:

Form of Exercise Notice

To: [Name of the Company Shareholder]

WHEREAS, we, Shanghai Yi Xin E-Commerce Co., Ltd. (the "**Company**"), [name of the other Company Shareholder] and you entered into an Exclusive Call Option Agreement (the "**Option Agreement**") on [*,] 2011 and reached an agreement that you shall transfer the equity interest you hold in the Company to us or any third party designated by us at our request to the extent permitted by the PRC laws and regulations.

Therefore, we hereby give this notice to you as follows:

We hereby request to exercise the Equity Transfer Option under the Option Agreement and we/[name of company/individual] designated by us will acquire the [%] of the equity interest you hold in the Company (the "**Proposed Acquired Equity**"). Upon your receipt of this notice, you shall immediately transfer all the Proposed Acquired Equity to us/[name of designated company/individual] pursuant to the provisions of the Option Agreement.

Regards,

Shanghai Yi Xin E-Commerce Co., Ltd.
(Seal)
Authorized representative:
Date:

Annex 3:

Form of Exercise Notice

To: Shanghai Yi Xin E-Commerce Co., Ltd.

WHEREAS, we, Zuyu DING, Weijie MA and you entered into an Exclusive Call Option Agreement (the "**Option Agreement**") on [*,] 2011 and reached an agreement that you shall transfer your assets to us or any third party designated by us at our request to the extent permitted by the PRC laws and regulations.

Therefore, we hereby give this notice to you as follows:

We hereby require to exercise the Asset Purchase Option under the Option Agreement and we/[name of company/individual] designated by us will acquire the assets owned by you as stated in a separate list (the "**Proposed Acquired Assets**"). Upon your receipt of this notice, you shall immediately transfer all the Proposed Acquired Assets to us/[name of designated company/individual] pursuant to the provisions of the Option Agreement.

Regards,

Shanghai Yi Yue Information Technology Co., Ltd.
(Seal)
Authorized representative:
Date:

LOAN AGREEMENT

BETWEEN

Zuyu DING

Weijie MA

AND

SHANGHAI YI YUE INFORMATION TECHNOLOGY CO., LTD.

DATED SEPTEMBER 20, 2011

LOAN AGREEMENT

This **LOAN AGREEMENT** (“**this Agreement**”) is entered into on September 20, 2011 by:

1. ZUYU DING

Identity Card Number:

2. WEIJIE MA

Identity Card Number:

(ZUYU DING and WEIJIE MA are collectively referred to as the “**Borrowers**”)

3. SHANGHAI YI YUE INFORMATION TECHNOLOGY CO., LTD. (the “**Lender**”)

Registered Address: Room 103, Building 1, No. 84, Lane 453, Hutai Road, Shanghai

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively the “**Parties**”.) **WHEREAS:**

1. Shanghai Yi Xin E-Commerce Co., Ltd. (“**Shanghai Yi Xin**”) is a limited liability company duly incorporated and validly existing in Shanghai, China under the laws of the PRC, mainly operating the e-commerce business, of which the registered address is _____ and the registered capital is RMB15,000,000 (in words: fifteen million Yuan).
2. The Lender intends to provide a loan to ZUYU DING and WEIJIE MA respectively for the purpose of establishing Shanghai Yi Xin and make the Borrowers become 100% equity interest holders of the Company.

In order to clarify the rights and obligations of the Lender and the Borrowers under

the above loan arrangement, the Parties hereby agree as follows:

ARTICLE ONE DEFINITIONS

- 1.1 Unless otherwise specified in this Agreement, the following terms used in this Agreement shall have the meanings prescribed thereto below.

“**Loan**” means the loan provided by the Lender to the Borrowers in the amount of RMB15,000,000 (in words: fifteen million Yuan) pursuant to Article 2.1, among which a loan in the amount of RMB10,500,000 (in words: ten million and five hundred thousand Yuan) is provided to ZUYU DING, and a loan in the amount of RMB4,500,000 (in words: four million and five hundred thousand Yuan) is provided to WEIJIE MA.

“**Outstanding Amount**” means the respective unpaid amount payable by the Borrowers under the Loan.

“**PRC**” means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong, Macao, and Taiwan.

“**Term**” has the meaning prescribed in Article 4.1 hereof.

“**Repayment Notice**” has the meaning prescribed in Article 5.2 hereof.

“**Repayment Request**” has the meaning prescribed in Article 5.3 hereof.

“**Confidential Information**” has the meaning prescribed in Article 7.1 hereof.

“**Available Rights**” has the meaning prescribed in Article 10.5 hereof.

- 1.2 Any reference in this Agreement to the following terms shall be interpreted as the following meanings.

“**Article**” shall be interpreted as an article in this Agreement, unless otherwise specified in the context of this Agreement.

“**Taxes**” shall be interpreted to include any taxes, fees, duties, or other charges of the same nature (including but not limited to any penalties or interests related to any unpaid or overdue amount of such Taxes).

“**Borrowers**” or “**Lender**” shall be interpreted to include the successors and assignees of such Party.

- 1.3 Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document shall, as the case may be, be interpreted as the

reference to the amendments, modifications, replacements or supplements to this Agreement or such other agreement or document that are already made or may be made in the future from time to time.

ARTICLE TWO LOAN

- 2.1 Pursuant to the terms and conditions of this Agreement, the Lender agrees to provide the Loan to the borrowers. The Parties confirm that after the signing of this agreement, the Lender shall provide the Loan in the amount of RMB15,000,000 (in words: fifteen million Yuan), among which,

The Lender has provided a loan in the amount of RMB10,500,000 (in words: ten million and five hundred thousand Yuan) to ZUYU DING and a loan in the amount of RMB4,500,000 (in words: four million and five hundred thousand Yuan) to WEIJIE MA.

The Borrowers cannot use the Loan under this Agreement unless for the purpose of establishing Shanghai Yi Xin and make the Borrowers become 100% equity interest holders of Shanghai Yi Xin. Without the prior written consent of the Lender, the Borrowers cannot use any part of the Loan for any other purpose.

- 2.2 The Parties confirm that the Borrowers shall repay the Loan to the Lender in accordance with, and perform all of its other obligations under, this Agreement. Without the prior written consent of the Lender, the Borrowers cannot use any part of the Loan for any other purpose.
- 2.3 The Borrowers shall enter into an equity interest pledge agreement with the Lender in accordance with the requirements of the Lender, to pledge, in favor of the Lender, all of its equity interest in Shanghai Yi Xin, to secure the Borrowers’ performance of all of their obligations under this Agreement. The Borrowers shall also cooperate with the Lender to register the equity interest pledge agreement with the competent administration for industry and commerce.

ARTICLE THREE INTEREST

The Lender confirms that there shall be no interest accruing on the Loan.

ARTICLE FOUR TERM

- 4.1 The term of any part of the Loan under this Agreement shall commence on the date on which the Lender provides the Loan to the Borrowers and end on the earliest of (1) the twentieth (20th) anniversary of the signing date of this Agreement, (2) the expiration date of the business term of the Lender (including its business term as extended), and (3) the expiration date of the business term of Shanghai Yi Xin (including its business term as extended) (the “**Term**”).

ARTICLE FIVE REPAYMENT

- 5.1 On the expiration date of the Term, unless the Parties unanimously agree to extend the Term to the extent permitted by the applicable laws and regulations, the Borrowers shall fully repay the Outstanding Amount on a one-off basis. Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, all of the equity interest in Shanghai Yi Xin held by the Borrowers at that time, the purchase price for which shall be equal to the Outstanding Amount.
- 5.2 During the Term, the Lender may, at any time, determine at its sole discretion to accelerate the repayment of the Loan and require any or both of the Borrowers to repay all or any part of the Outstanding Amount by a written notice to any of the Borrowers thirty (30) days in advance (the “**Repayment Notice**”).

If the Lender requires any of the Borrowers to repay any amount pursuant to the previous Paragraph, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in Shanghai Yi Xin held by such Borrower, the purchase price for which shall be equal to that portion of the Outstanding Amount required to be repaid, and the percentage of the equity interest required to be sold against the equity interest in Shanghai Yi Xin held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount required to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

- 5.3 To the extent the applicable laws and regulations allow the Lender to hold the equity interest in Shanghai Yi Xin, any of the Borrowers may, at any time, give a repayment request to the Lender thirty (30) days in advance to request to prepay all or any part of the Outstanding Amount (the “**Repayment Request**”).

Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in Shanghai Yi Xin held by the Borrower proposing the repayment, the purchase price for which shall be equal to that portion of the Outstanding Amount proposed to be repaid, provided that the percentage of the equity interest required to be sold against the equity interest in Shanghai Yi Xin held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount proposed to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

- 5.4 The Borrower required or proposing to repay any amount shall repay the relevant Outstanding Amount in cash or in such other manner as approved by the Lender in writing in advance and permitted by the applicable laws and regulations.

5.5 When the Borrowers repay the Outstanding Amount pursuant to the above provisions of this Article 5, the Parties shall complete the equity interest transfer provided in this Article 5 at the same time to ensure that, at the same time when the Outstanding Amount is repaid, the Lender or any third party designated by the Lender has lawfully and fully accepted the relevant equity interest in Shanghai Yi Xin pursuant to the above provisions, and such equity interest is free and clear of any pledge or any other form of encumbrance. When the equity interest in Shanghai Yi Xin is to be transferred pursuant to the above provisions, the Borrowers shall provide all reasonable assistance and shall waive all of their rights of first refusal to purchase such equity interest.

5.6 After the Borrowers transfer all of their equity interest in Shanghai Yi Xin to the Lender or any third party designated by the Lender and repay all of the Outstanding Amount pursuant to the above provisions of this Article 5, the Borrowers have no obligations of repayment under this Agreement.

ARTICLE SIX TAXES

The Lender shall assume all of the Taxes related to the Loan.

ARTICLE SEVEN CONFIDENTIALITY

7.1 Irrespective of the termination of this Agreement, the Borrowers are obligated to keep confidential the trade secrets, proprietary information, clients' information and all other information of confidential nature related to the Lender that are known to or received by the Borrowers as a result of the execution or performance of this Agreement (collectively the "**Confidential Information**"). The Borrowers shall not use such Confidential Information for any purpose other than for the performance of its obligations under this Agreement. Unless otherwise approved by the Lender in writing in advance or required by the relevant laws or regulations, the Borrowers shall not disclose any of the Confidential Information to any third party.

7.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
- (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
- (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

7.3 After the termination of this Agreement, the Borrowers shall, as requested by the Lender, return, destroy, or otherwise dispose of all of the documents, datum, or software provided by the Lender that contain any Confidential Information, and stop using the Confidential Information.

7.4 Notwithstanding any other provision of this Agreement, the effect of this Article 7 shall not be affected by the suspension or termination of this Agreement.

ARTICLE EIGHT NOTICE

8.1 Any notice, request, demand or other correspondence required under or in accordance with this Agreement shall be delivered to the related Party in writing.

8.2 The above notice or other correspondence, shall be deemed to be delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

ARTICLE NINE DEFAULT LIABILITIES

9.1 The Borrowers undertake to indemnify the Lender against any actions, charges, claims, costs, damage, demands, expenses, liabilities, losses or procedures suffered or incurred by the Lender due to any breach by the Borrowers of any of their obligations under this Agreement.

9.2 Notwithstanding any other provision of this Agreement, the effect of this Article shall not be affected by the suspension or termination of this Agreement.

ARTICLE TEN MISCELLANEOUS

10.1 This Agreement is written in Chinese in three (3) originals. Each of the Parties to this Agreement shall hold one (1) original.

10.2 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by the laws of the PRC.

10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.

10.4 Any right, power or remedy granted to each of the Parties by any provision of this Agreement shall not preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.

10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "**Available Rights**") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.

10.6 The headings in this Agreement are written for the ease of reference only, and shall in no event be used for, or affect, the interpretation to this Agreement.

Zuyu DING

Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

AND

Shanghai Yi Xin E-Commerce Co., Ltd.

Shareholder Voting Right Proxy Agreement

In respect of Shanghai Yi Xin E-Commerce Co., Ltd.

December 5, 2011

Shareholder Voting Right Proxy Agreement

This Shareholder Voting Right Proxy Agreement (this “**Agreement**”) is entered into as of December 5, 2011 by and between the following Parties:

1. Zuyu DING

ID Card No.:

2. Weijie MA

ID Card No:

(Zuyu DING and Weijie MA are hereinafter referred to individually as a “**Shareholder**” and collectively as the “**Shareholders**”).

3. Shanghai Yi Yue Information Technology Co., Ltd. (hereinafter, the “**WFOE**”)

Registered address: Room 103, Building 1, No. 84, Lane 453, Hutai Road, Shanghai

4. Shanghai Yi Xin E-Commerce Co., Ltd. (hereinafter, the “**Company**”)

Registered address:

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

1. The Shareholders are the current shareholders of the Company, holding 100% equity interest of the Company.
2. The Shareholders intend to severally entrust their voting rights in the Company to the individuals designated by the WFOE, and the WFOE intends to designate the individuals to accept such entrust.

NOW, THEREFORE, the Parties, after friendly consultations, hereby mutually agree below:

Article 1 Voting Right Delegation

1.1 The Shareholders hereby irrevocably undertake to respectively sign a power of attorney in substance and form as set forth in Annex 1 hereof after the signing of this Agreement, to respectively entrust the individuals then designated by the WFOE (hereinafter, the “**Entrusted Persons**”) to exercise, on behalf of each of the Shareholders, the following rights that the Shareholders are entitled to in the capacity of shareholders of the Company under the then effective articles of association of the Company (collectively, the “**Entrusted Rights**”):

- (1) To propose to convene and attend Shareholders’ meetings of the Company as the representative of each of the Shareholders according to the articles of association of the Company;
- (2) To exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other senior management to be appointed and

removed by the Shareholders;

- (3) To exercise other voting rights of the Shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

The above authorization and entrustment are granted on the condition that the Entrusted Persons are PRC citizens and that the WFOE approves such authorization and entrustment. Upon and only upon written notice of dismissing and replacing the Entrusted Person(s) given by the WFOE to each of the Shareholders shall the Shareholder promptly entrust another PRC citizen then designated by the WFOE to exercise the above Entrusted Rights, and the new authorization and entrustment shall, upon the grant supersede the previous authorization and entrustment. The Shareholders shall not revoke the authorization and entrustment to the Entrusted Person(s) unless as provided in this Article.

- 1.2 The Entrusted Persons shall perform their obligations in respect of the entrustment hereunder to the extent authorized hereunder with due care and diligence and in compliance with laws. The Shareholders acknowledge and shall assume liabilities for any legal consequences arising as a result of the Entrusted Persons' exercise of the foregoing Entrusted Rights.
- 1.3 The Shareholders hereby confirm that the Entrusted Persons are not required to seek opinions from the relevant Shareholder prior to their exercise of the foregoing Entrusted Rights. However, the Entrusted Persons shall inform the Shareholders in a timely manner of any resolution or proposal on convening an interim shareholders' meeting after such resolution or proposal is made.

Article 2 Right to Information

- 2.1 For the purpose of exercising the Entrusted Rights hereunder, the Entrusted Persons are entitled to know various relevant information of the Company such as those in respect of its operation, business, customers, finance and employees, and shall have access to the relevant documentations and materials of the Company. The Company shall fully cooperate with the Entrusted Persons in this regard.

Article 3 Exercise of the Entrusted Rights

- 3.1 The Shareholders will provide sufficient assistances to the Entrusted Persons with regard to their exercise of the Entrusted Rights, including timely execution where necessary of resolutions of shareholders' meetings adopted by the Entrusted Persons or other pertinent legal documents (e.g., where the same is required in order to submit documents for purpose of governmental approvals, registrations or filings.).
- 3.2 If at any time within the term of this Agreement, the grant or exercise of the Entrusted Rights hereunder is unrealizable for whatever cause (except for default of any Shareholder or the Company), the Parties shall immediately seek the most similar alternative solution and, if necessary, enter into a supplementary agreement to amend or adjust the provisions herein, in order to ensure the realization of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that in no case shall the WFOE be required to be liable to or compensate (monetary or otherwise) the other Parties or any third party in respect of exercise of the Entrusted Rights hereunder by the individuals designated by it.
- 4.2 The Shareholders and the Company agree to indemnify and hold the WFOE free from and harmless against all losses incurred or likely to be incurred due to exercise of the Entrusted Rights by the Entrusted Persons designated by the WFOE, including without limitation, any loss resulted from any litigation, demand, arbitration or claim by any third party against it or from administrative investigation or penalty, PROVIDED, HOWEVER, THAT no indemnification is available for any losses caused by a willful default or gross negligence of the Entrusted Persons.

Article 5 Representations and Warranties

- 5.1 Each Shareholder hereby represents and warrants severally that:
- 5.1.1. It is a Chinese citizen with full capacity of action. It has the complete and

independent legal status and legal capacity to execute, deliver and perform this Agreement. It may sue or be sued independently.

- 5.1.2. It has the full power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it; and the full power and authority to consummate the transaction contemplated hereby. This Agreement is duly executed and delivered by it. This Agreement shall constitute its legal and binding obligation and may be enforceable against it in accordance with the terms hereof.
- 5.1.3. It is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for those rights created under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.
- 5.2 Each of the WFOE and the Company hereby represents and warrants severally that:
- 5.2.1 It is a limited liability company duly registered and validly existing under the laws where it is registered and has the independent legal person status. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may sue or be sued independently.
- 5.2.1 It has the full corporate power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.

5.3 The Company further represents and warrants that:

5.3.1 Each Shareholder is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for the rights under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.

4

Article 6 Term of this Agreement

- 6.1 Subject to the provisions of Articles 6.2 and 6.3 hereof, the term of this Agreement shall be twenty (20) years, unless it is early terminated by the Parties in writing or pursuant to Article 9.1 hereof. The term of this Agreement will not be extended upon expiration; provided, however, that the term of this Agreement will be automatically extended for one (1) year upon the expiration, if the WFOE gives the other Parties written notice requiring the extension thereof, and the same mechanism will apply subsequently upon the expiration of each extended term.
- 6.2 This Agreement shall terminate, if the Company or the WFOE, upon expiry of its business term, fails to deal with the approval and registration for the extension thereof.
- 6.3 If any Shareholder transfers all of the equity interest it holds in the Company to any person with the WFOE's prior consent, the Shareholder will no longer be a Party hereto and the obligations and undertakings of any other Parties hereunder will not be adversely affected.

Article 7 Notices

- 7.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party(ies).
- 7.2 The above notices or other correspondence shall be deemed delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

Article 8 Confidentiality

- 8.1 Regardless of the termination of this Agreement, each Party is obligated to keep strictly confidential trade secrets, proprietary information, clients' information and all other information of confidential nature related to the other Parties that are known to the former Party during the course of its execution and performance of this Agreement (the "**Confidential Information**"). Unless as agreed to by the Party who disclosed the Confidential Information (the "**Disclosing Party**") in writing in advance, or as required by the relevant laws, regulations or the requirements applicable where the publicly listed affiliated company of any Party is located, the receiving party of the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any of such Confidential Information. Except for the purpose of performing this Agreement, the Receiving Party shall not use any Confidential Information.

5

8.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
- (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
- (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

8.3 The Receiving Party may, for the purpose of performing this Agreement, disclose Confidential Information to its relevant employees, agents or professionals engaged by it, provided, however, the Receiving Party shall ensure that such persons shall abide by the relevant terms and conditions of this Article 8, and shall assume any liability incurred as a result of the breach by any of such persons of the relevant terms and conditions of this Article 8.

8.4 Notwithstanding any other provision of this Agreement, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Liabilities for Breach

9.1 The Parties agree and confirm that, if any of the Parties (the "**Breaching Party**") is materially in breach of any provision hereof, or materially fails or delays in performing any of the obligations hereunder, a breach hereof is constituted (a "**Breach**"), and any of the other Parties which does not commit any Breach (a "**Non-breaching Party**") has the right to require that the Breaching Party rectify it or take a remedial action within a reasonable period. If the Breaching Party fails to rectify the Breach or take remedial actions within the reasonable period or within ten (10) days of the other Party's written rectification notice, then:

- 9.1.1. if any Shareholder or the Company is the Breaching Party, the WFOE is entitled to terminate this Agreement and require the Breaching Party to indemnify it against its damage;
- 9.1.2. if the WFOE is the Breaching Party, each of the Non-defaulting Parties is entitled to require the Breaching Party to indemnify it against its damage; but unless otherwise provided for by law, in no case does it have the right to terminate or cancel this Agreement.

9.2 Notwithstanding any other provision herein, the effect of this Article 9 shall not be affected by the suspension or termination of this Agreement.

Article 10 Miscellaneous

10.1 This Agreement is written in Chinese in four (4) originals. Each of the Parties to

this Agreement shall hold one (1) original.

10.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by laws of People Republic of China.

10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.

10.4 None of the rights, powers or remedies granted to each of the Parties by any provision of this Agreement shall preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.

10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "**Available Rights**") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.

10.6 The headings in this Agreement are written for the ease of reference only, and in no event, shall be used for, or affect, the interpretation to this Agreement.

10.7 Each provision herein is separable and independent from all other provisions herein. If any one provision or more provisions of this Agreement become invalid, illegal or unenforceable at any time, the validity, legality and enforceability of other provisions herein shall not be affected.

10.8 This Agreement, after signing, shall supersede any other prior legal documents among the Parties with respect to the subject matter hereof. Any amendment or supplement hereto shall be made in writing and shall not become effective until its due execution by the Parties hereto.

10.9 Without the WFOE's prior written consent, none of the other Parties may transfer any of its rights and/or obligations hereunder to any third party. The Shareholders and the Company hereby agree that the WFOE is entitled to transfer any of its rights and/or obligations hereunder to any third party upon written notice thereof to the Shareholders and the Company.

10.10 This Agreement shall be binding on the legal successors of the Parties.

[SIGNATURE PAGE]

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

Zuyu DING

By: /s/ Zuyu DING

Weijie MA

By: /s/ Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

Shanghai Yi Xin E-Commerce Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Zuyu DING (Domicile [*], ID card No.: [*]) as of [*], 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Zuyu DING, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Shanghai Yi Xin E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai Yi Yue Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of [*], 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING

Signature: _____

Date: [*], 2011

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Weijie MA (Domicile [*], ID card No.: [*]) as of [*], 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Weijie MA, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Shanghai Yi Xin E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai Yi Yue Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of [*], 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Weijie MA

Signature: _____

Date: [*], 2011

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Zuyu DING (Domicile [*], ID card No.: [*]) as of December 5, 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Zuyu DING, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Shanghai Yi Xin E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai Yi Yue Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of December 5, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING
Signature: /s/ Zuyu DING
Date: December 5, 2011

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Weijie MA (Domicile [*], ID card No.: [*]) as of December 5, 2011 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Weijie MA, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Shanghai Yi Xin E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Shanghai Yi Yue Information Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of December 5, 2011 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Weijie MA
Signature: /s/ Weijie MA
Date: December 5, 2011

Zuyu Ding

Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

AND

Shanghai Yi Xin E-Commerce Co., Ltd.

Equity Pledge Agreement
regarding Shanghai Yi Xin E-Commerce Co., Ltd.

December 5, 2011

EQUITY PLEDGE AGREEMENT

This **EQUITY PLEDGE AGREEMENT** (this “**Agreement**”) is entered into in Shanghai, the PRC, on December 5, 2011 by and among:

1. Zuyu DING

Identity Card No.:

2. Weijie MA

Identity Card No:

(**Zuyu DING** and **Weijie MA** are hereinafter referred to individually as a “**Pledgor**” and collectively as the “**Pledgors**”).

3. Shanghai Yi Yue Information Technology Co., Ltd. (the “Pledgee”)

Registered address: Room 103, Building 1, No. 84, Lane 453, Hutai Road, Shanghai

4. Shanghai Yi Xin E-Commerce Co., Ltd. (the “Company”)

Registered address:

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

- (1) The Pledgors are the registered shareholders of the Company, legally holding all the equity interest in the Company (the “**Company Equity Interest**”). Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Pledgor in the registered capital of the Company on the signing date of this agreement.
- (2) The Parties to this Agreement entered into the Exclusive Call Option Agreement (the “**Call Option Agreement**”) on December 5, 2011. Under the Call Option Agreement, the Pledgors

shall, to the extent permitted by the PRC Law, transfer all or part of the equity interest they hold in the Company to the Pledgee and/or any other entity or individual designated by the Pledgee based on the Pledgee’s request.

- (3) The Parties to this Agreement entered into the Shareholder Voting Rights Proxy Agreement (the “**Proxy Agreement**”) on Decemeber 5, 2011. Under the Proxy Agreement, the Pledgors irrevocably delegated the individual then designated by the Pledgee with the full power to exercise on behalf of the Pledgors all their shareholder voting rights in the Company.
- (4) The Pledgors and Pledgee entered into a Loan Agreement on September 20, 2011 (the “**Loan Agreement**”). The Pledgee has provided the Pledgors with a loan in the amount of RMB15,000,000 (in words: fifteen million Yuan).

- (5) As the Pledgors' security for the performance of the Contractual Obligations (as defined below) and the discharge of the Secured Liabilities (as defined below), the Pledgors are willing to pledge all the Company Equity Interest they hold in favor of the Pledgee and grant the Pledgee the first pledge, and the Company agrees to such equity interest pledge arrangement.

THEREFORE, the Parties, through negotiation, agree as follows:

Article 1 Definitions

- 1.1 Unless otherwise indicated in the context, in this Agreement, the following terms shall be interpreted as follows.

“**Contractual Obligations**” means all the contractual obligations of the Pledgors under the Call Option Agreement, the Proxy Agreement and the Loan Agreement, all the contractual obligations of the Company under the Call Option Agreement and the Proxy Agreement, and all

2

the contractual obligations of the Pledgors and the Company under this Agreement.

“**Secured Liabilities**” means all the direct, indirect and derivative losses and loss of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgors and/or the Company; the basis for determining the amount of such losses includes but not limited to the reasonable commercial plan and profit forecast of the Pledgee; and all the expenses incurred by the Pledgee to enforce the performance by the Pledgors and/or the Company of their Contractual Obligations.

“**Transaction Documents**” means the Call Option Agreement, the Proxy Agreement and the Loan Agreement.

“**Event of Default**” means any breach by any Pledgor of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Loan Agreement and/or this Agreement, and any breach by the Company of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Service Agreement and/or this Agreement.

“**Pledged Equity Interest**” means all the Company Equity Interest lawfully owned by the Pledgors and to be pledged to the Pledgee in accordance with this Agreement as the security for the performance of the Contractual Obligations by the Pledgors and the Company (see Appendix 1 for the specific Pledged Equity Interest of each Pledgor), and the increased capital contribution amount and the dividend as provided in Article 2.6 and Article 2.7 of this Agreement.

“**PRC**” means the People's Republic of China, for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“**PRC Law**” means the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations, and other binding regulatory documents of the PRC.

- 1.2 Any reference to any PRC Law in this Agreement shall be deemed (1) to include references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement, and (2) to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.

3

- 1.3 Unless otherwise specified in the context herein, any reference to an Article, clause, item or paragraph in this Agreement shall refer to the corresponding part of this Agreement.

Article 2 Pledge of Equity Interest

- 2.1 The Pledgors hereby agree to pledge the Pledged Equity Interest, which they lawfully own and are entitled to dispose of, to the Pledgee in accordance with the provisions of this Agreement as the security for the performance of the Contractual Obligations and the discharge of the Secured Liabilities. The Company hereby agrees to the Pledgors' pledge of the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.

- 2.2 The Pledgors undertake to be responsible for registering the equity interest pledge arrangement (the “**Equity Pledge**”) under this Agreement on the Company's register of shareholders immediately on the signing date of this agreement.

The Parties shall use their best efforts to apply to the registration authority in charge of the Company for registration of the Equity Pledge under this Agreement immediately after the signing of this Agreement.

- 2.3 During the valid term of this Agreement, unless attributable to the Pledgee's willful conduct or the Pledgee's gross negligence with direct causation to the consequence, the Pledgee shall in no way be held liable to any reduction of the value of the Pledged Equity Interest, and the Pledgors have no right to claim any compensation or other request in any way against the Pledgee.

- 2.4 Without breaching the provisions of Article 2.3 above, if there is any probability that the value of the Pledged Equity Interest will notably reduce which is sufficient to jeopardize the rights of the Pledgee, the Pledgee may at any time auction or sell the Pledged Equity Interest on behalf of the Pledgors, and may reach agreement with the Pledgors to use the proceeds from such auction or sales to prepay the Secured Liabilities or to deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledgee). Further, if requested by the Pledgee, the Pledgors shall offer additional security interest over other property.

- 2.5 Upon the occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity Interest in accordance with Article 4 of this Agreement.

4

- 2.6 The Pledgors shall not increase the registered capital of the Company without the Pledgee's prior consent. The increased capital contribution amount of the Pledgors in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest.
- 2.7 No dividend or capital bonus on the Pledged Equity Interest shall be distributed to the Pledgors without the Pledgee's prior consent. The Pledgors agree that during the term of pledge, the Pledgee has the right to collect any dividend or capital bonus out of the Pledged Equity Interest. The Company shall pay such amount into the bank account designated by the Pledgee.
- 2.8 The Pledgee has the right to dispose of any of the Pledged Equity Interest of any Pledgor in accordance with this Agreement after the occurrence of any Event of Default.

Article 3 Release of Pledge

- 3.1 After the Pledgors and the Company fully and completely perform all of the Contractual Obligations and discharge all of the Secured Liabilities, the Pledgee shall, upon the Pledgors' request, release the Equity Pledge under this Agreement and cooperate with the Pledgors to cancel the registration of the Equity Pledge on the Company's register of shareholders and with the administration of industry and commerce in charge of the Company. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity Interest

- 4.1 The Parties agree that if any Event of Default occurs, the Pledgee has the right to, by notifying the Pledgors in writing, exercise all the remedial rights and powers that it is entitled to under the PRC Law, the Transaction Documents and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity Interest. The Pledgee shall not be liable to any loss caused by its reasonable exercise of such rights and powers.
- 4.2 The Pledgee has the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and powers above, and neither the Pledgors nor the Company may oppose thereto.
- 4.3 The Pledgee has the right to deduct the reasonable expenses actually incurred from its exercise of all or any part of its rights and powers above from the proceeds gained from its exercise of such rights and powers.

5

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- 4.4 The proceeds gained from the Pledgee's exercise of its rights and powers shall be settled in accordance with the following order:
- (1) firstly, pay all expenses arising out of the disposal of the Pledged Equity Interest and the Pledgee's exercise of its rights and powers (including the remuneration paid to its lawyers and agents);
 - (2) secondly, pay the taxes and charges payable for the disposal of the Pledged Equity Interest; and
 - (3) thirdly, repay the Secured Liabilities to the Pledgee.

If there is any balance after the payment of the above amounts, the Pledgee shall return the balance to the Pledgors or any other person entitled to such amount pursuant to relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred to be assumed by the Pledgee).

- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity Interest under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

- 5.1 All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to the stamp duty, any other taxes and all legal fees and etc., shall be assumed by the Parties respectively.

Article 6 Continuity and No Waiver

- 6.1 The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Liabilities are fully discharged. No waiver or grace period of any default of the Pledgors given by the Pledgee, nor the Pledgee's late exercise of any of its rights under the Transaction Documents and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Documents and the relevant PRC Law to require at any time thereafter the Pledgors to strictly implement the Transaction Documents and this Agreement, or the rights the Pledgee is entitled to with respect to the Pledgors' subsequent breach of the Transaction Documents and/or this Agreement.

6

Article 7 Pledgors' Representations and Warranties

Each of the Pledgors respectively represents and warrants to the Pledgee as follows:

- 7.1 The Pledgors are PRC citizens with full legal capacity, having full civil rights and powers to execute this Agreement and assume the legal obligations in accordance with this Agreement.

- 7.2 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement that the Pledgors provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.
- 7.3 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement to be provided by the Pledgors to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.
- 7.4 Upon the effectiveness of this Agreement, the Pledgors are the sole legal owners of the Pledged Equity Interest. There is no then pending disputes on the ownership of the Pledged Equity Interest. The Pledgors are entitled to dispose of the Pledged Equity Interest or any part thereof.
- 7.5 Except the security interest created over the Pledged Equity Interest under this Agreement and the rights created under the Transaction Documents, there are no other security interest or third party rights or any other encumbrance over the Pledged Equity Interest.
- 7.6 The Pledged Equity Interest can be legally pledged and transferred, and the Pledgors have full rights and powers to pledge the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.
- 7.7 This Agreement, upon due execution by the Pledgors, constitutes the lawful, valid and binding obligations of the Pledgors after the signing of this Agreement.
- 7.8 Any third party approvals, permits, waivers and authorizations, any approvals, permits and waivers of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required), which is required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or completed (subject to clause 2 of Article 2.2), and will be fully effective during the valid term of this Agreement.
- 7.9 Each Pledgor's execution and performance of this Agreement does not violate

7

or conflict with any laws applicable thereto, any agreement to which it is a party or by which its assets is bound, any court adjudication, any arbitration award or any decision of administrative authorities.

- 7.10 The pledge under this Agreement constitutes the security interest over the Pledged Equity Interest with the first priority.
- 7.11 Unless otherwise provided by Equity Interest Transfer Agreement, all taxes and expenses payable for obtainment of the Pledged Equity Interest have been paid by the Pledgors in full.
- 7.12 There is no pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledgors or their property or the Pledged Equity Interest, nor is there any pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledgors or their property or the Pledged Equity Interest, which will have material or adverse effect on the financial conditions of the Pledgors or their abilities to perform their obligations and security liabilities under this Agreement.
- 7.13 The Pledgors hereby undertake to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Liabilities are discharged in full.

Article 8 Company's Representations and Warranties

The Company represents and warrants to the Pledgee as follows:

- 8.1 The Company is a limited liability company duly registered and lawfully existing under the PRC Law with independent legal person status, having independent and full legal status and capacity to execute, deliver and perform this Agreement, and can be an independent party to a lawsuit.
- 8.2 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement which the Company provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.
- 8.3 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement to be provided by the Company to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.

8

- 8.4 This Agreement, upon due execution by the Company, constitutes the lawful, valid and binding obligations of the Company.
- 8.5 It has full internal corporate power and authorization to execute and deliver this Agreement and all other documents related to the transaction contemplated in this Agreement and to be executed by it. It has full power and authorization to complete the transaction contemplated in this Agreement.
- 8.6 There is no pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledged Equity Interest, the Company or its property, nor is there any pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledged Equity Interest, the Company or its property, which will have material or adverse effect on the financial conditions of the Company or the Pledgors' abilities to perform their obligations and security liabilities under this Agreement.
- 8.7 The Company hereby agrees to assume the joint and several liabilities to the Pledgee with respect to the representations and warranties made by each of the Pledgors under Article 7.4, Article 7.5, Article 7.6, Article 7.8 and Article 7.10 of this Agreement.
- 8.8 The Company hereby undertakes to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full and the Secured Liabilities are discharged in full.

Article 9 Pledgors' Undertakings

Each Pledgor hereby respectively undertakes to the Pledgee as follows:

- 9.1 Without the prior written consent of the Pledgee, the Pledgors shall not create, or allow to be created, any new pledge or any other security interest over the Pledged Equity Interest. Any pledge or other security interest created over all or any part of the Pledged Equity Interest without the prior written consent of the Pledgee shall be invalid.
- 9.2 Without the prior written notice to and the prior written consent of the Pledgee, the Pledgors shall not transfer the Pledged Equity Interest and all activities of the Pledgors to transfer the Pledged Equity Interest shall be invalid. The proceeds obtained from the Pledgors' transfer of the Pledged Equity Interest shall be used first to prepay the Secured Liabilities to the Pledgee or to be

9

deposited with a third party as agreed with the Pledgee.

- 9.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledgors or the Pledgee under the Transaction Documents and this Agreement or on the Pledged Equity Interest, the Pledgors undertake to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 9.4 The Pledgors undertake to complete the registration formalities to extend the business term of the Company three months before the expiration of the business term of the Company so as to continue the effect of this Agreement.
- 9.5 The Pledgors shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest. The Pledgors waive the right of first refusal to purchase the Pledged Equity Interest when the Pledgee realizes its pledge rights.
- 9.6 The Pledgors shall, after the signing of this Agreement, use their best efforts and take all necessary measures to register the Equity Pledge under this Agreement with the relevant administration of industry and commerce as soon as possible, and the Pledgors undertake to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.
- 9.7 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Pledgors undertake to take all measures to complete such transfer.
- 9.8 The Pledgors shall ensure that the convening process, voting methods and resolutions of the shareholders meetings and board meetings of the Company convened for the purpose of the exercise of the right of pledge under this Agreement be not in conflict with the laws, administrative regulations or the articles of association of the Company.

Article 10 Company's Undertakings

- 10.1 If any third party approval, permit, waiver or authorization, or any approval, permit or waiver of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required) is required to

10

be obtained or completed for the execution and performance of this Agreement and for the Equity Pledge under this Agreement, the Company shall endeavor to assist in obtaining it and keeping it fully effective during the valid term of this Agreement.

- 10.2 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' creation of any new pledge or other security interest over the Pledged Equity Interest.
- 10.3 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' transfer of the Pledged Equity Interest.
- 10.4 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the Company, the Pledged Equity Interest or the Pledgee's interest under the Transaction Documents and this Agreement, the Company undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 10.5 The Company undertakes to complete the registration formalities to extend its business term three months before the expiration of its business term so as to continue the effect of this Agreement.
- 10.6 The Company shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest, including but not limited to any activity or action restricted under Article 9.
- 10.7 The Company shall, in the first month of each calendar quarter, provide the Pledgee with the financial statements of the Company for the immediately preceding calendar quarter, including but not limited to the balance sheet, the profit and loss statements and the cash flow statements.
- 10.8 The Company undertakes to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.

10.9 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Company undertakes to take all measures to complete such transfer.

Article 11 Change of Circumstances

11.1 As supplement and not in conflict with the Transaction Documents and the other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, regulations or rules, or the change of interpretation or application of such laws, regulations or rules, or the change of relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such laws, regulations and rules to keep this Agreement effective, to keep the right of pledge under this Agreement effective and/or to dispose of the Pledged Equity Interest in accordance with this Agreement, the Pledgors and the Company shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) keep this Agreement and the right of pledge under this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity Interest in accordance with this Agreement; and/or
- (3) keep or realize the security created or intended by this Agreement.

Article 12 Effectiveness and Term of this Agreement

12.1 This Agreement shall come into effect upon the satisfaction of all of the following conditions:

- (1) this Agreement has been duly executed by the Parties;
- (2) the Equity Pledge under this Agreement has been duly registered on the register of shareholders of the Company.

The Pledgors shall provide the Pledgee with the evidence of the registration of the Equity Pledge on the register of shareholders in form to the satisfaction of the Pledgee, and shall, after the registration of the Equity Pledge is completed and as required by the Pledgee, provide the Pledgee with the pledge certificate issued by the administration of industry and commerce in form to the satisfaction of the Pledgee.

12.2 The term of this Agreement shall end upon the full performance of the Contractual Obligations or the full discharge of the Secured Liabilities.

Article 13 Notices

13.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.

13.2 If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 14 Miscellaneous

14.1 The Pledgors and the Company agree that the Pledgee may, upon notice to the Pledgors and the Company, assign the Pledgee's rights and/or obligations hereunder to any third party. However, the Pledgors or the Company shall not, without the Pledgee's prior written consent, assign their rights, obligations or liabilities hereunder to any third party. The successors or permitted assignees (if any) of the Pledgors and the Company shall continue to perform the respective obligations of the Pledgors and the Company under this Agreement.

14.2 When the Pledgee exercises its right of pledge to the Pledged Equity Interest pursuant to the provisions hereof, the amount of the Secured Liabilities determined by the Pledgee at its own discretion shall be regarded as the conclusive evidence of the Secured Liabilities hereunder.

14.3 This Agreement is written in Chinese and executed in five (5) originals, with one (1) original to be retained by each Party hereto. One (1) original is to be used for the application to the administration of industry and commerce in charge of the Company for registration of the Equity Pledge under this Agreement.

14.4 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the PRC Law.

14.5 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, such dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration, and the arbitration award shall be final and binding on the Parties.

14.6 None of the rights, powers or remedies granted to any Party by any provision

herein shall preclude any other rights, powers or remedies available to such Party at law and under the other provisions of this Agreement. In addition, the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies.

- 14.7 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the “**Available Rights**”) shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Available Rights shall exclude such Party from exercising such rights in any other way and exercising the other Available Rights.
- 14.8 The headings of the provisions herein are for reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.
- 14.9 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.
- 14.10 Any amendments or supplements to this Agreement shall be made in writing. Except for assignment by the Pledgee of its rights hereunder according to Article 14.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the Parties to this Agreement. If any amendments or supplements to this Agreement legally require any approval of and/or any registration or filing with any government authority, the Parties shall obtain such approval and/or complete such registration or filing in accordance with law.
- 14.11 This Agreement shall be binding on the legal successors of the Parties.
- 14.12 Upon this Agreement taking effect, each Pledgor shall respectively sign a power of attorney (the “**Power of Attorney**”) to authorize any person designated by the Pledgee to sign on the Pledgor’s behalf according to this Agreement any and all legal documents necessary for the exercise of the Pledgee’s rights hereunder. Such Power of Attorney shall be delivered to the Pledgee to keep in custody and, when necessary, the Pledgee may at any time submit the Power of Attorney to the relevant government authority.

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14

[EXECUTION PAGE]

IN WITNESS WHEREOF, this EQUITY PLEDGE AGREEMENT is executed by the following Parties on the date first written above.

Zuyu DING

By: /s/ Zuyu DING

Weijie MA

By: /s/ Weijie MA

Shanghai Yi Yue Information Technology Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Shanghai Yi Xin E-Commerce Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

APPENDIX 1

COMPANY GENERAL INFORMATION

Company Name: Shanghai Yi Xin E-Commerce Co., Ltd.

Registered Address:

Registered Capital: RMB15,000,000

Legal representative: Zuyu DING

Shareholding Structure:

Shareholder name	Contribution in registered capital	Percentage of contribution	Method of contribution
Zuyu DING	RMB 10,500,000	70%	Currency
Weijie MA	RMB 4,500,000	30%	Currency
Total	RMB 15,000,000	100%	/

APPENDIX 2

FORM OF POWER OF ATTORNEY

I, [*], hereby irrevocably delegate [*] (identity card number: [*]) to act as my authorized representative to execute all legal documents necessary or useful for Shanghai Yi Yue Information Technology Co., Ltd. to exercise its rights under the “Equity Pledge Agreement regarding Shanghai Yi Xin E-Commerce Co., Ltd.” entered into by Shanghai Yi Xin E-Commerce Co., Ltd., it and me.

Signature:

Date:

EXCLUSIVE TECHNICAL SUPPORT AGREEMENT

This Agreement is entered into in Haidian District, Beijing as of December 5, 2011 by and between the following Parties:

Party A: **Shanghai Yi Yue Information Technology Co., Ltd.**
 Address: Room 404, Building 1, No. 84, Lane 453, Hutai Road, Shanghai
 Party B: **Shanghai Yi Xin E-Commerce Co., Ltd.**
 Address: Room 103, Building 1, No. 84, Lane 453, Hutai Road, Shanghai

WHEREAS:

- (1) Party A is a limited liability company established and duly existing in Shanghai, China, which mainly engages in the business of 1) the design, development and production of computer software and hardware; 2) the sales of self-produced products; 3) the provision of technology service; 4) the provision of investment managerial consulting services, enterprise management consulting services and business information consulting services.
- (2) Party B is a limited liability company registered in Shanghai, China, which mainly engages in the business of 1) e-commerce, 2) technology development and technology services; 3) .the design and production of advertisement; 4) real estate agency services; 5) the provision of investment managerial consulting services and enterprise management consulting services.
- (3) Required for its business, Party B decides to engage Party A as its exclusive technology service provider, to provide Party B with the relevant services such as technology transfer, technology license, technology service and provision of equipment. Party A agrees to provide Party B with the Technology Service in accordance with this Agreement.

THEREFORE, through amicable consultations, the Parties have reached the following agreements on the detailed matters related to the provision of exclusive Technology Service by Party A to Party B.

Article 1 Definitions and Interpretation

- 1.1 “**Websites**” shall mean all websites operated by Party B.
- 1.2 “**e-commerce**” shall means the buying and selling of products or services over electronic systems such as the Internet and other computer networks.
- 1.3 “**Internet Information Service**” shall mean the business of providing the Internet users with various information services via the Internet, including without limitation, search engine, Internet publication, online games, email and development of websites.
- 1.4 “**Internet Advertising Service**” shall mean the business of publishing online advertisements for the customers via the Internet.
- 1.5 “**Technology Service**” shall mean all technological service provided by Party A to Party B in accordance with this Agreement, including without limitation, technology transfer, technology license, technology service and provision of equipment.

Article 2 Exclusive Cooperation

- 2.1 Party A is Party B’s exclusive technology service provider. Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the Technology Service (including without limitation, technology transfer, technology license, technology service and provision of equipment) required for any of the business operated by Party B (including without limitation, the Internet Information Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis. Without Party A’s prior written consent, Party B shall not seek any third party other than Party A to provide any part of the Technology Service under this Agreement in any manner.
- 2.2 Party B agrees that in case Party A objectively does not have the ability to provide Party B with certain part of the Technology Service, Party A may exclusively designate an appropriate third party to provide Party B with such part of the Technology Service in accordance with the terms and conditions provided in this Agreement. Party B further agrees that in any case, Party A is entitled to entrust, without any reason, any properly qualified third party to provide Party B with the Technology Service that should, pursuant to this Agreement, be provided by Party A to Party B. Party B agrees to accept the Technology Service provided by such appropriate third party entrusted by Party A.
- 2.3 In case of any of the following circumstances, Party B is entitled to, at its own discretion, seek any third party to provide the Technology Service:
 - 2.3.1 Party A voluntarily abandons its right to act as an exclusive technology service provider and gives a written consent to the provision of the Technology Service by a third party to Party B;
 - 2.3.2 Party A is objectively unable to provide Party B with certain part of the Technology Service and fails to designate any appropriate third party to provide Party B with such part of the Technology Service; or
 - 2.3.3 Party A decides to neither provide Party B with certain part of the Technology Service nor designate any appropriate third party to provide Party B with such part of the Technology Service.

Article 3 Technology Transfer

- 3.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be purchased for any of Party B’s business shall be provided by Party A on an exclusive basis. Party A will try its best to develop and transfer to Party B the technology that is required for Party B’s business and owned by Party A.

- 3.2 The Parties shall negotiate with each other to enter into specific technology transfer contracts to expressly specify the detail matters such as the technology to be transferred, transfer fees and payment.

Article 4 Technology License

- 4.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be licensed for any of Party B's business

2

shall be provided by Party A on an exclusive basis. Party A will try its best to license Party B to use the technology owned by Party A, or re-license Party B to use the technology as approved by the owner.

- 4.2 The Parties shall negotiate with each other to enter into specific technology license contracts to expressly specify the detail matters such as the technology to be licensed, the method to license the technology, license fees and payment.

Article 5 Technology Service

- 5.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology service (including without limitation, technology support, technology training and technology consulting, see Appendix I to this Agreement (*List of Technology Service*) for details) required for any of Party B's business shall be provided by Party A on an exclusive basis. Party A will try its best to provide Party B with the technology service required for and related to Party B's business.

- 5.2 Party B shall provide all necessary assistance to Party A's provision of technology service, including without limitation:

5.2.1 Party B shall cause its employees to take an appropriately and reasonably prudent attitude when using and operating the system and equipment;

5.2.2 Party B shall notify Party A immediately of any circumstance that may affect Party B's business;

5.2.3 Party B shall allow Party A and its authorized personnel to enter into, at any reasonable time, the premises owned or rent by Party B to place any system or equipment related to Party B's business; and

5.2.4 Any other necessary assistance.

- 5.3 The Parties agree to enter into (if necessary) separate technology service agreements on the details of various technology services during the valid term of this Agreement to specify or adjust the technology services to be provided, the methods to provide such services and the technicians within the framework provided in this Agreement.

5.4 With regard to the technology services provided by Party A to Party B, the Parties agree, based on the number of working hours of Party A's engineers to provide the technology services to Party B (on an hourly basis), to calculate the fees for the technology services at the following rates:

5.4.1 for the technology service provided by a Party A's senior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of RMB4,000 per hour per capita;

5.4.2 for the technology service provided by a Party A's mid-level engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of

3

RMB2,000 per hour per capita; and

5.4.3 for the technology service provided by a Party A's junior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the price of RMB1,000 per hour per capita.

5.4.4 Party B shall calculate and pay to Party A the technical support fee at the rate of RMB20,000/month;

5.4.5 Party B shall calculate and pay to Party A the technical training fee at the rate of RMB10,000/month;

5.4.6 Party B shall calculate and pay to Party A the technical consulting fee at the rate of RMB20,000/month;

5.4.7 If the agreement is executed after its expiration date, such prices can be re-calculated each year.

5.4.8 The workload of each project: both parties shall budget at the early stage of the project and determine the final settlement of account when the project is finished. The workload shall be calculated according to the final settlement of account.

5.4.9 Time and method of settling accounts: both parties shall settle the account at December 20 each year according to actual situation and issue a sheet of settlement of account for both parties' confirmation.

5.5 Party A shall, within the first five working days of each month, issue a bill to Party B of the working hours for the technology services provided by Party A to Party B during the last month at the rates agreed by the Parties. The bill shall indicate the level of Party A's engineers who provided the technology services to Party B and their respective working hours, and Party B shall, within three working days after its receipt of the bill, pay to Party A the technology service fee in accordance with the amount in the bill.

Article 6 Provision of Equipment

- 6.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the equipment required for any of Party B's business shall be provided by Party A on an exclusive basis or be provided by the equipment supplier designated by Party A. The specific way to provide such equipment (including without limitation, lease, sales and transfer) shall be decided by Party A unilaterally.
- 6.2 The Parties shall negotiate with each other to enter into specific equipment transfer agreements or equipment lease agreements to expressly specify the detail matters such as the method to provide such equipment, price and term.

Article 7 Payment

- 7.1 For the Technology Service provided by Party A to Party B, Party B shall, based on actual circumstances, pay to Party A the technology transfer fee, technology license fee, technology service fee and equipment fee etc. in accordance with the relevant provisions in this Agreement.
- 7.2 For the above fees paid by Party B, Party A shall issue corresponding invoices to Party B.
- 7.3 If Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, Party A may choose any of the following ways of payment for such third party's fees and require Party B to implement:
- 7.1.1 Party B pays the fees for the Technology Service to the third party directly; or
- 7.1.2 Party B pays the fees for the Technology Service to Party A directly and Party A is responsible for settling with such third party.
- 7.4 Where Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, if Party A, for whatever reasons, assumes any joint and several liability to such third party due to Party B's reasons, Party B shall compensate Party A for all economic losses incurred thereby.

Article 8 Ownership of Assets

- 8.1 The Parties agree that the following assets originated from the Technology Service provided by Party A to Party B shall be owned by Party A:
- 8.1.1 the words, images, layouts and any other graphic designs or information content created or made by Party A, except those whose copyrights belong to third parties;
- 8.1.2 the database (including without limitation, the database storing contents and the database storing information of registered users) developed by Party A for Party B and all of the content contained therein; and
- 8.1.3 any other tangible or intangible assets originated or derived from the Technology Service provided by Party A to Party B in accordance with this Agreement, except those owned by Party B on clear grounds.
- 8.2 Party B recognizes Party A's ownership of the assets above and undertakes not to make any claim on any assets above. Where necessary and requested by Party A, Party B shall provide all necessary assistance (including without limitation, issuing corresponding certificates) to make clear Party A's ownership of the assets above.
- 8.3 During the term of cooperation between the Parties, except as specifically provided in this Agreement or other relevant written agreements that the ownership shall be transferred from Party A to Party B, all assets provided to Party B such as equipment, technology and software shall still be owned by Party A, and Party B shall only have the right of use over the assets during the valid term of this Agreement.

Article 9 Confidentiality

- 9.1 Either Party shall keep confidential any confidential material and information of the other Party known or accessed due to the execution or performance of this Agreement (the "**Confidential Information**"). Without the other Party's written consent, neither Party shall disclose, give or transfer such Confidential Information to any third parties.
- 9.2 If requested by either Party, the other Party shall return, destroy, or otherwise dispose of all of the documents, materials, or software that contain any Confidential Information as requested, and stop using the Confidential Information.
- 9.3 The Parties' obligations under this Article shall survive the termination of this Agreement. Either Party shall still comply with the confidentiality terms of this Agreement and fulfill the confidentiality obligations as promised, until the other Party gives consent to the release of such obligations or as a matter of fact, violation of the confidentiality terms herein will not cause damage of any form to the other Party.

Article 10 Payment of Taxes

- 10.1 The Parties shall respectively pay taxes to relevant tax authorities in accordance with relevant laws, regulations and State policies.
- 10.2 In the event that either Party pays any tax for the other Party, the paying Party shall submit the tax certificate to the payable Party as soon as possible, and the payable Party shall compensate the equivalent amount to the paying Party within seven days after the receipt of such tax certificate.

Article 11 Representations, Covenants and Warranties

- 11.1 Either of the Parties represents, covenants and warrants to the other Party as follows:

- 11.1.1 It is a company lawfully established and duly existing;
- 11.1.2 It is qualified to conduct the transaction hereunder and such transaction is in line with its business scope;
- 11.1.3 It has full power to enter into this Agreement, and its authorized representative has obtained full authorization to execute this Agreement on behalf of it;
- 11.1.4 It has the ability to perform its obligations hereunder, and such performance will not violate any restrictions of legal documents binding upon it;
- 11.1.5 It is not subject to any liquidation, dissolution or bankruptcy procedures.
- 11.2 Party B covenants that during the valid term of this Agreement, Party B shall notify Party A of any change in Party B's shareholding structure thirty days in advance.
- 11.3 Party B covenants that except as required for the works provided in this Agreement, Party B shall not use or copy the trademarks, signs or company names of Party A or its affiliates without Party A's prior written consent.
- 11.4 Party B shall neither conduct, nor allow any third party to conduct any act or omission that is detrimental to Party A's ownership of technology or any other intellectual property or any other rights of Party A.

Article 12 Liability for Breach of Contract

- 12.1 Either Party's direct or indirect violation of any provisions herein or failure in assuming or untimely or insufficient assumption of any of its obligations hereunder shall constitute a breach of contract. The non-breaching Party (the "**Non-Breaching Party**") is entitled to send to the breaching Party (the "**Breaching Party**") a written notice, requesting the Breaching Party to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.2 After the occurrence of breach, in case such breach has made it impossible or unfair for the Non-Breaching Party to perform its corresponding obligations hereunder based on the Non-Breaching Party's reasonable and objective judgments, the Non-Breaching Party is entitled to send to the Breaching Party a written notice of its temporary suspension of performance of corresponding obligations hereunder, until the Breaching Party stops the breach, takes sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.3 The losses of the Non-Breaching Party that should be compensated by the Breaching Party include direct economic losses and any foreseeable indirect losses and extra expenses incurred by the breach, including without limitation, the attorneys' fee, litigation and arbitration fee, financial expense and travel charge.

6

Article 13 Force Majeure

- 13.1 "**Force Majeure**" shall mean events beyond the reasonable control of the Parties that are unforeseeable or foreseeable but unavoidable, which cause obstruction in, impact on or delay in either Party's performance of part or all of its obligations in accordance with this Agreement, including without limitation, government acts, natural disasters, wars, hacker attacks or any other similar events.
- 13.2 The Party affected by Force Majeure may suspend the performance of relevant obligations hereunder that cannot be performed due to Force Majeure until the effects of Force Majeure are eliminated, without having to assume any liability for breach of contract, provided however that, such Party shall endeavor to overcome such events and reduce the negative effects to the best of its abilities.
- 13.3 The Party affected by Force Majeure shall provide the other Party with valid certificate documents verifying the occurrence of Force Majeure events, which documents shall be issued by the notary office where the events occur (or other appropriate agencies). In case the Party affected by Force Majeure cannot provide such certificate documents, the other Party may request it to assume the liability for breach of contract in accordance with this Agreement.

Article 14 Effectiveness, Amendment and Termination

- 14.1 This Agreement takes effect as of the date when it is signed and stamped by the authorized representatives of the Parties, and shall be terminated on the date when Party B dissolves according to law.
- 14.2 Unless provided otherwise herein, Party A is entitled to immediately early terminate this Agreement unilaterally by sending a written notice upon any of the followings happening to Party B:
 - 14.2.1 Party B breaches this Agreement, and within thirty (30) days after Party A sends out the written notice, fails to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate Party A for any losses incurred by the breach.
 - 14.2.2 Party B is bankrupt or is subject to any liquidation procedure and such procedure is not revoked within seven (7) days; and
 - 14.2.3 due to any event of Force Majeure, Party B's failure to perform this Agreement lasts for over twenty (20) days.
- 14.3 Except as provided in the immediate precedent clause, Party B agrees that Party A is entitled to early terminate this Agreement at any time by sending a written notice twenty days in advance without any reason. However, Party B is not entitled to early terminate this Agreement unless as provided herein.
- 14.4 The early termination of this Agreement shall not affect the rights and obligations of the Parties arising out of this Agreement prior to the early termination date.

7

Article 15 Delivery of Notice

15.1 Notices relevant to this Agreement sent by one Party to the other shall be made in written form and delivered in person, or by fax, telegram, telex or email, or by registered mail (postage paid) or express mail. As to those delivered in person or by fax, telegram, telex or email, the delivery date shall be the date when it is sent; as to those delivered by registered mail (postage paid) or express mail, the delivery date shall be the third day after it is sent.

Article 16 Dispute Resolution

- 16.1 With regard to disputes arising out of the interpretation and performance of the terms hereunder, the Parties shall resolve the disputes through consultations in good faith.
- 16.2 In case no resolution can be made, the dispute shall be submitted to China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with its arbitration rules then effective. The arbitration shall be conducted in Chinese. The arbitration award shall be final and binding upon the Parties.
- 16.3 The conclusion, effectiveness, implementation and interpretation of this Agreement and resolution of disputes shall all be governed by the PRC laws.

Article 17 Miscellaneous

- 17.1 This Agreement is written in two originals. Each of the Parties shall hold one original with each having the same legal effect.
- 17.2 The headings in this Agreement are written for the ease of reference only, and in no event shall they affect the interpretation of any terms of this Agreement.
- 17.3 The Parties may amend and supplement this Agreement in the way of a written agreement. Amendment agreements and supplement agreements executed by the Parties are both part of this Agreement, having the same legal effect as this Agreement.
- 17.4 In case any term herein becomes all or partly invalid or unenforceable due to the violation of law or governmental regulations or other reasons, the affected part of such term shall be considered to have been removed, provided however that, the removal of the affected part of such term shall not affect the legal effect of the remaining part of such term or other terms herein. The Parties shall conclude new terms through consultations to replace such invalid or unenforceable terms.
- 17.5 Unless provided otherwise, a Party's failure or delay in exercising any of the rights, powers or privileges that it is entitled to under this Agreement shall not be considered its waiver of such rights, powers or privileges, nor shall any single or partial exercise of any rights, powers or privileges by a Party preclude its exercise of other rights, powers or privileges.
- 17.6 This Agreement constitutes all agreements reached by the Parties on the subject matter of the cooperation project, and supersedes any previous or concurrent oral and written agreement, understanding and correspondence relevant to the subject matter of the cooperation project between the Parties. Unless specifically provided herein, there is no other explicit or implicit obligation or covenant between the Parties.

17.7 Matters not covered in this Agreement shall be determined by the Parties separately through consultations.

Shanghai Yi Yue Information Technology Co., Ltd.

Authorized Representative: /seal/

Shanghai Yi Xin E-Commerce Co., Ltd.

Authorized Representative: /seal/

Appendix I: List of Technology Service

The Parties agree that, the technology services described in this Agreement includes without limitation:

1 Technology Support for E-Commerce Service

- 1.1 Party A agrees to act as Party B's technology service provider and provide Party B with the technology services required for the operation of the e-commerce in accordance with the conditions of this Agreement, with the specific content including without limitation, the following items in connection with the e-commerce Service:
- 1.1.1 Development, update and upgrade of the client side software;
 - 1.1.2 Development, update and upgrade of the web server side software;
 - 1.1.3 Technology development and maintenance of the database;
 - 1.1.4 Technology development of the system;
 - 1.1.5 General design scheme of the system;

- 1.1.6 Installation and debugging of the system;
- 1.1.7 Trial run and testing of the system;
- 1.1.8 Installation and debugging of the system's expansion;
- 1.1.9 Inspection and maintenance of the hardware equipment for operation;
- 1.1.10 Daily maintenance of the system software;
- 1.1.11 Improvement and upgrade of the system software.

Article 2 Technology Support for Internet Information Service

- 2.1 Party A agrees to provide Party B with the technology services in connection with the Internet Information Service. The specific content of the technology services includes without limitation:
 - 2.1.1 Development, update and upgrade of the client side software;
 - 2.1.2 Development, update and upgrade of the web server side software;
 - 2.1.3 Technology development and maintenance of the database;
 - 2.1.4 Technology development of the system, general design, testing, installation and debugging, installation and debugging of the expansion, inspection and maintenance of the hardware equipment for operation, daily maintenance of the software, improvement and upgrade of the software in connection with the Internet Information Service.

10

- 2.2 Compilation, gathering statistics and integration as well as database programming and design of technical platform of various information required to be used by Party B in the operation of the Internet Information Service, including without limitation, news, finance and economics, science and technology, sports, entertainment, games, fashion, education, medical treatment, health, culture and resources of professionals, assisting in the determination of the framework and channel structural design of the same, and provision of content update services at the technical level.
- 2.3 Providing Party B with design and technical support of web pages, and assisting Party B in providing end users with relaxing and friendly interfaces of various services such as news browsing, shopping, medical treatment, chatting, entertainment, search and registration.
- 2.4 With regard to the system software required for the website operation that is provided by Party A to Party B, Party A shall provide Party B with materials and documents of the system such as user guide and manual of such system software for the website operation.
- 2.5 In case that Party B needs to change the system environment of the website, including operating system environment, database environment and so forth, where Party A's assistance is required, Party A shall provide corresponding solutions.
- 2.6 Assisting Party B in resolving problems occurred during the process of installation and operation of the website operating equipment.

Article 3 Technology Support for Internet Advertising Service

- 3.1 Party A agrees to provide Party B with the technology services in connection with the Internet Advertising Service. The specific content of the technology services includes without limitation:
 - 3.1.1 Development, update and upgrade of the Internet advertisement publishing software;
 - 3.1.2 Installation and debugging of the Internet advertisement publishing software;
 - 3.1.3 Technical maintenance of the Internet advertisement publishing software;
 - 3.1.4 Design and production of Internet advertisements.

Article 4 Technology Training

- 4.1 Party A agrees to provide Party B and staff of Party B with the following training:
 - 4.1.1 Skills training in respect of the installation and operation of equipment and facilities;
 - 4.1.2 Training on providing appropriate customer services or techniques and other aspects;
 - 4.1.3 Training on using the on-line editing software.

11

Article 5 Technology Consulting

- 5.1 To provide consulting service for the purchase of relevant equipment and software and hardware system required for Party B's operation of the Internet Information Service, including without limitation, to provide technical advice for the selection and installation and debugging of various tool software,

application software and technical platform, and the purchase, types and performance of various matching hardware facilities and equipment.

- 5.2 With regard to the technical projects designated by Party B, Party A agrees to provide Party B with technology consulting services such as technological demonstration, technological forecasting, special technological investigation and analysis and assessment report.
- 5.3 To provide technology consulting services for the application of the Internet software, hardware, equipment and system on-line editing software installed or to be installed by Party B.
- 5.4 To provide Party B with the following information: investigation, analysis and assessment report of the trend, technology, expense and income of domestic, foreign and Party B's various Internet services (including special Internet services).
- 5.5 Party B may conduct inquiries or function consulting on specific technical problems with Party A's technical support department in the way of email, telephone and fax and etc. Party A's engineers will reply to the questions and assist the clients in resolving the problem.
- 5.6 In case of emergencies that Party B is unable to handle, Party A's engineers, upon consent by Party B, may conduct remote login to check the system status and resolve the problem.
- 5.7 Party A may, within its ability, satisfy the other technology consulting requirements raised by Party B.

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Zuyu DING

Weijie MA

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

AND

Beijing Jiajujiu E-Commerce Co., Ltd.

Exclusive Call Option Agreement

In Respect Of Beijing Jiajujiu E-Commerce Co., Ltd.

April 1, 2012

EXCLUSIVE CALL OPTION AGREEMENT

This **EXCLUSIVE CALL OPTION AGREEMENT** (this “**Agreement**”) is entered into as of April 1, 2012 by and among the following parties:

1. Zuyu DING

Identity Card No.:

2. Weijie MA

Identity Card No.:

(Zuyu DING and Weijie MA are hereinafter referred to individually as a “**Company Shareholder**” and collectively as the “**Company Shareholders**”.)

3. Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “WFOE”)

Registered address: Room 811, No. 58, North Sihuan West Road, Haidian District, Beijing

4. Beijing Jiajujiu E-Commerce Co., Ltd. (the “Company”)

Registered address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.)

WHEREAS:

- (1) The Company Shareholders are the registered shareholders of the Company, legally holding all the equity interest in the Company. Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Company Shareholder in the registered capital of the Company as of the date when this Agreement is signed.
- (2) To the extent not in violation of the PRC Law, the Company Shareholders intend to transfer all their respective equity interest in the Company to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (3) To the extent not in violation of the PRC Law, the Company intends to transfer its assets to the WFOE and/or any other entity or individual designated by the WFOE, and the WFOE intends to accept such transfer.
- (4) For the purpose of the foregoing equity interest and asset transfer, the Company Shareholders and the Company agree to grant to the WFOE the exclusive and irrevocable Equity Transfer Option (as defined below) and Asset Purchase Option (as defined below) respectively. Pursuant to such Equity Transfer Option and Asset Purchase Option, at the WFOE’s request, the Shareholders or the Company shall, to the extent permitted by the PRC Law, transfer the Option Equity (as defined below) or the Company Assets (as defined below) to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

(5) The Company agrees that the Company Shareholders grant the Equity Transfer Option to the WFOE pursuant to the provisions of this Agreement.

(6) The Company Shareholders agree that the Company grants the Asset Purchase Option to the WFOE pursuant to the provisions of this Agreement.

NOW, THEREFORE, the Parties, after consultations, hereby agree as follows:

Article 1 Definitions

1.1 As used in this Agreement, the following terms shall be interpreted to have the following meanings, unless otherwise interpreted pursuant to the context:

“**Equity Transfer Option**” shall mean the option to purchase the equity interest in the Company as granted to the WFOE by the Company Shareholders pursuant to the terms and conditions of this Agreement.

“**Asset Purchase Option**” shall mean the option to purchase any Company Assets as granted to the WFOE by the Company pursuant to the terms and conditions of this Agreement.

“**Option Equity**” shall mean, in respect of each of the Company Shareholders, all the equity interest held by him in the Company Registered Capital respectively; in respect of all the Company Shareholders, the equity interest covering 100% of the Company Registered Capital.

“**Company Registered Capital**” shall mean the registered capital of the Company as of the signing date of this Agreement, i.e. RMB15,000,000, which shall include any expanded registered capital as a result of any capital increase in any form within the term of this Agreement.

“**Transferred Equity**” shall mean the equity interest in the Company which the WFOE has the right to request either of the Company Shareholders to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Equity Transfer Option, the quantity of which may be all or part of the Option Equity and the specific amount of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“**Transferred Assets**” shall mean the Company Assets which the WFOE has the right to require the Company to transfer to it or its designated entity or individual in accordance with Article 3 hereof when the WFOE exercises its Asset Purchase Option, the quantity of which may be all or part of the Company Assets and the details of which shall be determined by the WFOE at its sole discretion in accordance with the then-effective PRC Law and based on its commercial consideration.

“**Exercise of Option**” shall mean the exercising of the Equity Transfer Option or the Asset Purchase Option by the WFOE.

“**Transfer Price**” shall mean all the consideration that the WFOE or its designated entity or individual is required to pay to the Company Shareholders or the Company in order to obtain the Transferred Equity or the Transferred Assets upon each Exercise of Option.

“**Business Permits**” shall mean any approvals, permits, filings, registrations, etc which the Company is required to have for legally and validly operating all its businesses, including without limitation, Business License of Corporate Legal Person, Operation Permit of Value-added Telecommunication Service and such other relevant permits and licenses as required by the then-effective PRC Law.

“**Company Assets**” shall mean all the tangible and intangible assets which the Company owns or has the right to dispose of during the valid term of this Agreement, including without limitation, any immovable and moveable assets, intellectual property rights such as trademarks, copyrights, patents, know-how, domain names and software use rights, and any investment interest.

“**Material Asset**” shall mean any asset which has a book value of RMB100,000 or more or has a material effect on the business operations of any Party.

“**Material Agreement**” shall mean, in respect of the Company, any agreement to which the Company is a party and which has a material effect on the business or assets of the Company; in respect of a Subsidiary, any agreement to which such Subsidiary is a party and which has a material effect on the business or assets of such Subsidiary.

“**PRC**” shall mean the People’s Republic of China, which, for purpose of this Agreement only, excludes Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“**PRC Law**” shall mean the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding regulatory documents of the PRC.

“**Exercise Notice**” shall have the meaning prescribed to such term in Article 3.7 hereof.

“**Subsidiary**” shall have the meaning prescribed to such term in Article 6.1.10 hereof.

“**Confidential Information**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Disclosing Party**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Receiving Party**” shall have the meaning prescribed to such term in Article 8.1 hereof.

“**Defaulting Party**” shall have the meaning prescribed to such term in Article 11.1 hereof.

“**Default**” shall have the meaning prescribed to such term in Article 11.1 hereof.

“**Available Rights**” shall have the meaning prescribed to such term in Article 12.5 hereof.

1.2 The references to any PRC Law herein shall be deemed:

(1) simultaneously to include the references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement; and

(2) simultaneously to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.

1.3 Except as otherwise stated in the context herein, all references to an Article, clause, item or paragraph shall refer to the corresponding part of this Agreement.

Article 2 Grant of Equity Transfer Option and Asset Purchase Option

2.1 The Company Shareholders hereby severally and jointly agree to grant the WFOE an irrevocable, unconditional and exclusive Equity Transfer Option. Pursuant to such Equity Transfer Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company Shareholders to transfer the Option Equity to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Equity Transfer Option.

2.2 The Company hereby agrees that the Company Shareholders grant such Equity Transfer Option to the WFOE according to Article 2.1 above and other provisions of this Agreement.

2.3 The Company hereby agrees to grant the WFOE an irrevocable, unconditional and exclusive Asset Purchase Option. Pursuant to such Asset Purchase Option, the WFOE is entitled to, to the extent permitted by the PRC Law, request the Company to transfer all or part of the Company Assets to the WFOE or its designated entity or individual according to the terms and conditions hereunder. The WFOE also agrees to accept such Asset Purchase Option.

2.4 The Company Shareholders hereby severally and jointly agree that the Company grants such Asset Purchase Option to the WFOE according to Article 2.3 above and other provisions of this Agreement.

Article 3 Method of Exercise of Option

3.1. Subject to the terms and conditions of this Agreement, the WFOE shall have the absolute sole discretion to determine the specific time, method and times of its Exercise of Option to the extent permitted by the PRC Law.

3.2. Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at any time, request to acquire the Transferred Equity from the Company Shareholders by itself or through any other entity or individual designated by it.

3.3. Subject to the terms and conditions of this Agreement and to the extent not in violation of the then-effective PRC Law, the WFOE shall have the right to, at any time, request to acquire the Transferred Assets from the Company by itself or through any other entity or individual designated by it.

3.4. With regard to the Equity Transfer Option, at each Exercise of Option, the WFOE shall have the right to arbitrarily determine the amount of the Transferred Equity to be transferred by the Company Shareholders to the WFOE and/or any other entity or individual designated by it. The Company Shareholders shall respectively transfer the Transferred Equity to the WFOE and/or any other entity or individual designated by it in the amount requested by the WFOE. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price with respect to the Transferred Equity acquired at each Exercise of Option to the Company Shareholder transferring such Transferred Equity.

3.5. With regard to the Asset Purchase Option, at each Exercise of Option, the WFOE shall have the right to determine the specific Company Assets to be transferred by the Company to the WFOE and/or any other entity or individual designated by it. The Company shall transfer the Transferred Assets to the WFOE and/or any other entity or individual designated by it in accordance with the WFOE's requirement. The WFOE and/or any other entity or individual designated by it shall pay the Transfer Price to the Company with respect to the Transferred Assets acquired at each Exercise of Option.

3.6. At each Exercise of Option, the WFOE may acquire the Transferred Equity or Transferred Assets by itself or designate any third party to acquire all or part of the Transferred Equity or Transferred Assets.

3.7. Having decided each Exercise of Option, the WFOE shall issue to the Company Shareholders or the Company a notice for exercising the Equity Transfer Option or a notice for exercising the Asset Purchase Option (the "**Exercise Notice**", the form of which are set out in Annex 2 and Annex 3 hereto). The Company Shareholders or the Company shall, upon receipt of the Exercise Notice, forthwith transfer all the Transferred Equity or Transferred Assets in accordance with the Exercise Notice to the WFOE and/or any other entity or individual designated by the WFOE in such method as described in Article 3.4 or Article 3.5 hereof.

Article 4 Transfer Price

4.1. With regard to the Equity Transfer Option, the total Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to each Company Shareholder at each Exercise of Option by the WFOE shall be the capital contribution mirrored by the corresponding Transferred Equity in the Company Registered Capital. But if the lowest price permitted by the then-effective PRC Law is higher than the above capital contribution, the Transfer Price shall be the lowest price permitted by the PRC Law.

4.2. With regard to the Asset Purchase Option, the Transfer Price to be paid by the WFOE or any other entity or individual designated by the WFOE to the Company at each Exercise of Option by the WFOE shall be the net book value of the relevant Transferred Assets. But if the lowest price permitted by the then-effective PRC Law is higher than the net book value of the Transferred Assets, the Transfer Price shall be the lowest price permitted by the PRC Law.

Article 5 Representations and Warranties

5.1 The Company Shareholders hereby severally and jointly represent and warrant that:

5.1.1. Each of the Company Shareholders is a Chinese citizen with full capacity. Each of them has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.

- 5.1.2. The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.1.3. Each of them has the full power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by him. Each of them has the full power and authority to consummate the transaction contemplated hereby.
- 5.1.4. This Agreement is legally and duly executed and delivered by the Company Shareholders. This Agreement shall constitute their legal and binding obligations and shall be enforceable against them in accordance with the terms of this Agreement.
- 5.1.5. The Company Shareholders are the legitimate owners of the Option Equity as of the effective date of this Agreement, and except for the rights created under the Equity Pledge Agreement and Shareholder Voting Rights Proxy Agreement executed by the Company, the WFOE and the Company Shareholders on the date hereof, the Option Equity is free from and clear of any lien, pledge, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Transferred Equity, free from and clear of any lien, pledge, claim and other encumbrances or third party rights.
- 5.1.6. To the knowledge of the Company Shareholders, the Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
- 5.1.7. The execution, delivery and performance by the Company Shareholders of this Agreement and the consummation by the Company Shareholders of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which they are bound.

5.2 The Company hereby represents and warrants that:

- 5.2.1 The Company is a limited liability company duly registered and legitimately existing under the PRC Law with an independent legal personality. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.2.2 The Company has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
- 5.2.3 This Agreement is legally and duly executed and delivered by the Company. This Agreement shall constitute the legal and binding obligation against it.
- 5.2.4 The Company Assets are free from and clear of any lien, mortgage, claim and other encumbrances and third party rights. Pursuant to this Agreement, the WFOE and/or any other entity or individual designated by it may, after the Exercise of Option, acquire a good title to the Company Assets, free from and clear of any lien, mortgage, claim and other encumbrances or third party rights.
- 5.2.5 The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transaction contemplated hereby do not violate any PRC Law or any agreement, contract or other arrangement with any third party by which it is bound.

5.3 The WFOE hereby represents and warrants that:

- 5.3.1. The WFOE is a wholly foreign-owned enterprise duly registered and legitimately existing under the PRC Law with an independent legal personality. The WFOE has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a party to lawsuit.
- 5.3.2. The WFOE has the full internal corporate power and authority to execute, deliver and perform this Agreement and all other documents relating to the transaction contemplated hereby and to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.
- 5.3.3. This Agreement is legally and duly executed and delivered by the WFOE. This Agreement shall constitute the legal and binding obligation against it.

Article 6 Undertakings by the Company Shareholders

Each of the Company Shareholders hereby severally undertakes that:

6.1 Within the valid term of this Agreement, without the WFOE's prior written consent:

- 6.1.1. any Company Shareholder shall not transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity;
-
- 6.1.2. he shall not increase or decrease the Company Registered Capital or cause or permit the Company to be divided or merged with any other entity;
- 6.1.3. he shall not dispose of or cause the management of the Company to dispose of any Material Asset (other than in the ordinary course of business), or create any encumbrance or other third party rights on any Material Asset;
- 6.1.4. he shall not terminate or cause the management of the Company to terminate any Material Agreement entered into by the Company, or enter into any other agreement in conflict with the existing Material Agreements;
- 6.1.5. he shall not appoint or dismiss and replace any director or supervisor of the Company or any other management personnel of the Company who shall be appointed or dismissed by the Company Shareholders;

6.1.6. he shall not cause the Company to declare the distribution of or in practice release any distributable profit, dividend, share profit or share interest;

6.1.7. he shall ensure that the Company validly exists and is not terminated, liquidated or dissolved;

6.1.8. he shall not amend the articles of association of the Company;

6.1.9. he shall ensure that the Company will not lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business; and

6.1.10. it shall not cause the Company or the management of the Company to approve any of the following acts of any of the Company's subsidiaries or affiliates (collectively, the "**Subsidiaries**"):

- (a) increase or decrease any Subsidiary's registered capital or cause or permit any Subsidiary to be divided or merged with any other entity;
- (b) dispose of or cause the management of the Subsidiaries to dispose of any Material Asset of any Subsidiary (other than in the ordinary course of business), or create any encumbrance or other third party rights on such assets;
- (c) terminate or cause the management of the Subsidiaries to terminate any Material Agreement entered into by any Subsidiary, or enter into any other agreement in conflict with the existing Material Agreements;
- (d) appoint or dismiss and replace any director or supervisor of any Subsidiary or any other management personnel of such Subsidiary who shall be appointed or dismissed by the Company;
- (e) terminate, liquidate or dissolve any Subsidiary or act in any way that damages or is likely to damage the valid existence of any Subsidiary;
- (f) amend the articles of association of any Subsidiary; and

(g) lend or borrow any money, or provide any guaranty or engage in security activities in any other form, or bear any substantial obligations other than in the ordinary course of business.

6.2 Within the valid term of this Agreement, he shall use his best endeavor to develop the business of the Company and ensure that the Company's operations are legal and in compliance with the regulations, and he will not engage in any act or omission which may damage the Company's (including the Subsidiaries') assets and goodwill or affect the validity of the Business Permits of the Company.

6.3 Within the valid term of this Agreement, he shall timely notify the WFOE of any circumstances that may have a material adverse effect on the existence, business operations, financial conditions, assets or goodwill of the Company (including the Subsidiaries) and timely take all the measures approved by the WFOE to remove such adverse circumstances or take effective remedial measures with respect thereto.

6.4 Once the WFOE gives the Exercise Notice,

6.4.1. he shall promptly convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve any Company Shareholder or the Company to transfer all the Transferred Equity or the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and waive any preemptive right to purchase enjoyed by him (if any);

6.4.2. he shall promptly enter into an equity transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Equity at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE and provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Equity, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Equity.

6.5 If the total Transfer Price obtained by any Company Shareholder with respect to the Transferred Equity held by him is higher than the capital contribution corresponded with such Transferred Equity in the Company Registered Capital, or he receives any form of profit distribution, share profit, share interest or dividend from the Company, then such Company Shareholder agrees to, to the extent no in violation of the PRC Law, waive the premium earnings and any profit distribution, share profit, share interest or dividend (after the deduction of relevant taxes) and the WFOE is entitled thereto. Otherwise, such Company Shareholder shall compensate the WFOE and/or any other entity or individual designated by the WFOE for any loss incurred as a result thereof.

Article 7 Undertakings by the Company

7.1 The Company hereby undertakes that:

7.1.1. If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority needs to be obtained or handled with respect to the execution and performance of this Agreement and the grant of the Equity Transfer Option or Asset Purchase Option hereunder, the Company shall endeavor to assist in satisfying the above conditions.

7.1.2. Without the WFOE's prior written consent, the Company shall not assist or permit the Company Shareholders to transfer or otherwise dispose of any Option Equity or create any encumbrance or other third party rights on any Option Equity.

7.1.3. Without the WFOE's prior written consent, the Company shall not transfer or otherwise dispose of any Material Asset (other than in the ordinary course of business) or create any encumbrance or other third party rights on any Company Assets.

7.1.4. The Company shall not do or permit to be done any behavior or action that may adversely affect the interests of the WFOE under this Agreement, including without limitation, any behavior and action that is subject to Article 6.1.

7.2 With the valid term of this Agreement, once the WFOE gives the Exercise Notice,

7.2.1 it shall promptly cause the Company Shareholders to convene a shareholders' meeting, pass shareholders' resolutions and take all other necessary actions to approve the Company to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE;

7.2.2 it shall promptly enter into an asset transfer agreement with the WFOE and/or any other entity or individual designated by the WFOE to transfer all the Transferred Assets at the Transfer Price to the WFOE and/or any other entity or individual designated by the WFOE, and cause the Company Shareholders to provide necessary support to the WFOE (including provision and execution of all relevant legal documents, performing all government approval and registration procedures and assuming all relevant obligations) in accordance with the WFOE's requirements and the PRC Law so that the WFOE and/or any other entity or individual designated by the WFOE may acquire all the Transferred Assets, free from and clear of any legal defect or any encumbrance, third party restriction or any other restrictions on the Transferred Assets.

Article 8 Confidentiality Obligations

8.1 Regardless of whether this Agreement is terminated or not, each Party shall keep strictly confidential all the business secrets, proprietary information, customer information and all other information of a confidential nature about the other Parties known by it during the execution and performance of this Agreement (collectively, the "**Confidential Information**").

Unless a prior written consent is obtained from the Party disclosing the Confidential Information (the "**Disclosing Party**") or unless it is required to be disclosed to third parties according to the stipulation of relevant laws and regulations or the requirement of the place where its affiliate is listed on a stock exchange, the Party receiving the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any Confidential Information. The Receiving Party shall not use any Confidential Information other than for the purpose of performing this Agreement.

8.2 The following information shall not be deemed part of the Confidential Information:

(a) any information that has been lawfully acquired by the receiving Party before as evidenced by written documents;

(b) any information entering the public domain not attributable to the fault of the Party receiving the information; or

(c) any information lawfully acquired by the Party receiving the information through other sources after its receipt of such information.

8.3 For purpose of performing this Agreement, the Receiving Party may disclose the Confidential Information to its relevant employees, agents or professionals retained by it. However, the Receiving Party shall ensure that the aforesaid persons shall comply with the relevant terms and conditions of this Article 8. In addition, the Receiving Party shall be responsible for any liability incurred as a result of such persons' breach of the relevant terms and conditions of this Article 8.

8.4 Notwithstanding any other provision herein, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Term of Agreement

This Agreement shall become effective immediately upon the signing of this agreement by all parties. This Agreement shall terminate after all the Option Equity and the Company Assets are lawfully transferred to the WFOE and/or any other entity or individual designated by the WFOE pursuant to the provisions of this Agreement.

Article 10 Notices

10.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.

10.2 If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 11 Defaulting Liability

11.1 The Parties agree and confirm that, if any of the Parties (the "**Defaulting Party**") substantially violates any agreement herein or substantially fails to perform or delays performance of any of the obligations hereunder, such violation, failure or delay shall constitute a default under this Agreement (a "**Default**"). The non-defaulting Party shall have the right to request the Defaulting Party to rectify or take remedial actions within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial actions within such reasonable period or within ten (10) days after the non-defaulting Party notifies the Defaulting Party in writing requiring the Default to be rectified, then the non-defaulting Party is entitled to decide at its own discretion that:

11.1.1. if any Company Shareholder or the Company is the Defaulting Party, the WFOE shall be entitled to terminate this Agreement and require the Defaulting Party to indemnify the damages;

11.1.2. if the WFOE is the Defaulting Party, the non-defaulting Party shall be entitled to require the Defaulting Party to indemnify the damages, but unless otherwise provided for by the PRC Law, the non-defaulting Party has no right to terminate or cancel this Agreement in any circumstances.

11.2 Notwithstanding any other provision herein, the effect of this Article 11 shall not be affected by the termination of this Agreement.

Registered address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

Registered capital: RMB15,000,000

Legal representative: Dong WEN

Shareholding structure:

Shareholder's name	Contribution in registered capital	Percentage of contribution	Method of contribution
Zuyu DING	RMB10,500,000	70%	Currency
Weijie MA	RMB4,500,000	30%	Currency
Total	RMB15,000,000	100%	/

Annex 2:

Form of Exercise Notice

To: [Name of the Company Shareholder]

WHEREAS, we, Beijing Jiajujiu E-Commerce Co., Ltd. (the "**Company**"), [name of the other Company Shareholder] and you entered into an Exclusive Call Option Agreement (the "**Option Agreement**") on April 1, 2012 and reached an agreement that you shall transfer the equity interest you hold in the Company to us or any third party designated by us at our request to the extent permitted by the PRC laws and regulations.

Therefore, we hereby give this notice to you as follows:

We hereby request to exercise the Equity Transfer Option under the Option Agreement and we/[name of company/individual] designated by us will acquire the [%] of the equity interest you hold in the Company (the "**Proposed Acquired Equity**"). Upon your receipt of this notice, you shall immediately transfer all the Proposed Acquired Equity to us/[name of designated company/individual] pursuant to the provisions of the Option Agreement.

Regards,

Beijing Maiteng Fengshun Science and Technology Co., Ltd.
(Seal)
Authorized representative:
Date:

LOAN AGREEMENT*BETWEEN***Zuyu DING****Weijie MA***AND***BEIJING MAITENG FENGSHUN SCIENCE AND TECHNOLOGY CO., LTD.**

DATED FEBRUARY 1, 2012

LOAN AGREEMENT

This **LOAN AGREEMENT** (“**this Agreement**”) is entered into on February 1, 2012 by:

1. ZUYU DING

Identity Card Number:

2. WEIJIE MA

Identity Card Number:

(ZUYU DING and WEIJIE MA are collectively referred to as the “**Borrowers**”)

3. BEIJING MAITENG FENGSHUN SCIENCE AND TECHNOLOGY CO., LTD. (the “**Lender**”)

Registered Address: Room 811, No. 58, North Sihuan West Road, Haidian District, Beijing

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively the “**Parties**”.) **WHEREAS:**

1. Beijing Jiajujiu E-Commerce Co., Ltd. (the “**Domestic Company**”) is a limited liability company duly incorporated and validly existing in Beijing, China under the laws of the PRC, mainly operating the business of mail orders and electronic sales, of which the registered address is Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing and the registered capital is RMB15,000,000 (in words: fifteen million Yuan).
2. The Lender intends to provide a loan to ZUYU DING and WEIJIE MA respectively for the purpose of establishing the Domestic Company and make the Borrowers become 100% equity interest holders of the Company.

In order to clarify the rights and obligations of the Lender and the Borrowers under the above loan arrangement, the Parties hereby agree as follows:

ARTICLE ONE DEFINITIONS

- 1.1 Unless otherwise specified in this Agreement, the following terms used in this Agreement shall have the meanings prescribed thereto below.

“**Loan**” means the loan provided by the Lender to the Borrowers in the amount of RMB15,000,000 (in words: fifteen million Yuan) pursuant to Article 2.1, among which a loan in the amount of RMB10,500,000 (in words: ten million and five hundred thousand Yuan) is provided to ZUYU DING, and a loan in the amount of RMB4,500,000 (in words: four million and five hundred thousand Yuan) is provided to WEIJIE MA.

“**Outstanding Amount**” means the respective unpaid amount payable by the Borrowers under the Loan.

“**PRC**” means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong, Macao, and Taiwan.

“**Term**” has the meaning prescribed in Article 4.1 hereof.

“**Repayment Notice**” has the meaning prescribed in Article 5.2 hereof.

“**Repayment Request**” has the meaning prescribed in Article 5.3 hereof.

“**Confidential Information**” has the meaning prescribed in Article 7.1 hereof.

“**Available Rights**” has the meaning prescribed in Article 10.5 hereof.

- 1.2 Any reference in this Agreement to the following terms shall be interpreted as the following meanings.

“**Article**” shall be interpreted as an article in this Agreement, unless otherwise specified in the context of this Agreement.

“**Taxes**” shall be interpreted to include any taxes, fees, duties, or other charges of the same nature (including but not limited to any penalties or interests related to any unpaid or overdue amount of such Taxes).

“**Borrowers**” or “**Lender**” shall be interpreted to include the successors and assignees of such Party.

- 1.3 Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document shall, as the case may be, be interpreted as the reference to the amendments, modifications, replacements or supplements to this Agreement or such other agreement or document that are already made or may be made in the future from time to time.

ARTICLE TWO LOAN

- 2.1 Pursuant to the terms and conditions of this Agreement, the Lender agrees to provide the Loan to the borrowers. The Parties confirm that after the signing of this agreement, the Lender shall provide the Loan in the amount of RMB15,000,000 (in words: fifteen million Yuan), among which,

The Lender has provided a loan in the amount of RMB10,500,000 (in words: ten million and five hundred thousand Yuan) to ZUYU DING and a loan in the amount of RMB4,500,000 (in words: four million and five hundred thousand Yuan) to WEIJIE MA.

The Borrowers cannot use the Loan under this Agreement unless for the purpose of establishing the Domestic Company and make the Borrowers become 100% equity interest holders of the Domestic Company. Without the prior written consent of the Lender, the Borrowers cannot use any part of the Loan for any other purpose.

- 2.2 The Parties confirm that the Borrowers shall repay the Loan to the Lender in accordance with, and perform all of its other obligations under, this Agreement. Without the prior written consent of the Lender, the Borrowers cannot use any part of the Loan for any other purpose.
- 2.3 The Borrowers shall enter into an equity interest pledge agreement with the Lender in accordance with the requirements of the Lender, to pledge, in favor of the Lender, all of its equity interest in the Domestic Company, to secure the Borrowers’ performance of all of their obligations under this Agreement. The Borrowers shall also cooperate with the Lender to register the equity interest pledge agreement with the competent administration for industry and commerce.

ARTICLE THREE INTEREST

The Lender confirms that there shall be no interest accruing on the Loan.

ARTICLE FOUR TERM

- 4.1 The term of any part of the Loan under this Agreement shall commence on the date on which the Lender provides the Loan to the Borrowers and end on the earliest of (1) the twentieth (20th) anniversary of the signing date of this Agreement, (2) the expiration date of the business term of the Lender (including its business term as extended), and (3) the expiration date of the business term of the Domestic Company (including its business term as extended) (the “**Term**”).

ARTICLE FIVE REPAYMENT

- 5.1 On the expiration date of the Term, unless the Parties unanimously agree to extend the Term to the extent permitted by the applicable laws and regulations, the Borrowers shall fully repay the Outstanding Amount on a one-off basis. Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, all of the equity interest in the Domestic Company held by the Borrowers at that time, the purchase price for which shall be equal to the Outstanding Amount.
- 5.2 During the Term, the Lender may, at any time, determine at its sole discretion to accelerate the repayment of the Loan and require any or both of the Borrowers to repay all or any part of the Outstanding Amount by a written notice to any of the Borrowers thirty (30) days in advance (the “**Repayment Notice**”).

If the Lender requires any of the Borrowers to repay any amount pursuant to the previous Paragraph, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in the Domestic Company held by such Borrower, the purchase price for which shall be equal to that portion of the Outstanding Amount required to be repaid, and the percentage of the equity interest required to be sold against the equity interest in the Domestic Company held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount required to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

- 5.3 To the extent the applicable laws and regulations allow the Lender to hold the equity interest in the Domestic Company, any of the Borrowers may, at any time, give a repayment request to the Lender thirty (30) days in advance to request to prepay all or any part of the Outstanding Amount (the “**Repayment Request**”).

Under such circumstance, to the extent not in violation of the applicable laws and regulations, the Lender has the right to purchase, itself or by any designated third party, certain portion of the equity interest in the Domestic Company held by the Borrower proposing the repayment, the purchase price for which shall be equal to that portion of the Outstanding Amount proposed to be repaid, provided that the percentage of the equity interest required to be sold against the equity interest in the Domestic Company held by such Borrower on the signing date of this Agreement shall be equal to the percentage of the Outstanding Amount proposed to be repaid against the total amount of the Loan borrowed by such Borrower under this Agreement.

- 5.4 The Borrower required or proposing to repay any amount shall repay the relevant Outstanding Amount in cash or in such other manner as approved by the Lender in writing in advance and permitted by the applicable laws and regulations.

- 5.5 When the Borrowers repay the Outstanding Amount pursuant to the above provisions of this Article 5, the Parties shall complete the equity interest transfer provided in this Article 5 at the same time to ensure that, at the same time when the Outstanding Amount is repaid, the Lender or any third party designated by the Lender has lawfully and fully accepted the relevant equity interest in the Domestic Company pursuant to the above provisions, and such equity interest is free and clear of any pledge or any other form of encumbrance. When the equity interest in the Domestic Company is to be transferred pursuant to the above provisions, the Borrowers shall provide all reasonable assistance and shall waive all of their rights of first refusal to purchase such equity interest.
- 5.6 After the Borrowers transfer all of their equity interest in the Domestic Company to the Lender or any third party designated by the Lender and repay all of the Outstanding Amount pursuant to the above provisions of this Article 5, the Borrowers have no obligations of repayment under this Agreement.

ARTICLE SIX TAXES

The Lender shall assume all of the Taxes related to the Loan.

ARTICLE SEVEN CONFIDENTIALITY

- 7.1 Irrespective of the termination of this Agreement, the Borrowers are obligated to keep confidential the trade secrets, proprietary information, clients' information and all other information of confidential nature related to the Lender that are known to or received by the Borrowers as a result of the execution or performance of this Agreement (collectively the "**Confidential Information**"). The Borrowers shall not use such Confidential Information for any purpose other than for the performance of its obligations under this Agreement. Unless otherwise approved by the Lender in writing in advance or required by the relevant laws or regulations, the Borrowers shall not disclose any of the Confidential Information to any third party.
- 7.2 The Confidential Information does not include:
- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
 - (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
 - (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

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- 7.3 After the termination of this Agreement, the Borrowers shall, as requested by the Lender, return, destroy, or otherwise dispose of all of the documents, datum, or software provided by the Lender that contain any Confidential Information, and stop using the Confidential Information.
- 7.4 Notwithstanding any other provision of this Agreement, the effect of this Article 7 shall not be affected by the suspension or termination of this Agreement.

ARTICLE EIGHT NOTICE

- 8.1 Any notice, request, demand or other correspondence required under or in accordance with this Agreement shall be delivered to the related Party in writing.
- 8.2 The above notice or other correspondence, shall be deemed to be delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

ARTICLE NINE DEFAULT LIABILITIES

- 9.1 The Borrowers undertake to indemnify the Lender against any actions, charges, claims, costs, damage, demands, expenses, liabilities, losses or procedures suffered or incurred by the Lender due to any breach by the Borrowers of any of their obligations under this Agreement.
- 9.2 Notwithstanding any other provision of this Agreement, the effect of this Article shall not be affected by the suspension or termination of this Agreement.

ARTICLE TEN MISCELLANEOUS

- 10.1 This Agreement is written in Chinese in three (3) originals. Each of the Parties to this Agreement shall hold one (1) original.
- 10.2 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by the laws of the PRC.
- 10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.
-
- 10.4 Any right, power or remedy granted to each of the Parties by any provision of this Agreement shall not preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.
- 10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "**Available Rights**") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.
- 10.6 The headings in this Agreement are written for the ease of reference only, and shall in no event be used for, or affect, the interpretation to this Agreement.

10.7 Each provision of this Agreement is severable and independent from any of the other provisions. If at any time any one or more provisions of this Agreement become invalid, illegal or unenforceable, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby.

10.8 This Agreement, upon signing, shall supersede any other legal documents executed by the Parties in respect of the subject of this Agreement. Any amendment or supplement to this Agreement shall not come into effect unless made in writing and duly executed by the Parties.

10.9 Without the prior written consent of the Lender, the Borrowers shall not transfer any of their rights and/or obligations under this Agreement to any third party. The Lender has the right to transfer any of its rights under this Agreement to any third party upon the prior written notice to the other Parties.

[INTENTIONALLY LEFT BLANK BELOW]

[EXECUTION PAGE]

IN WITNESS WHEREOF, this LOAN AGREEMENT is executed by the following Parties on the date first written above.

ZUYU DING

Signature: /s/ Zuyu DING

WEIJIE MA

Signature: /s/ Weijie MA

BEIJING MAITENG FENGSHUN SCIENCE AND TECHNOLOGY CO., LTD.

(Seal)

Signature: /seal/

Name:

Title:

Zuyu DING

Weijie MA

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

AND

Beijing Jiajujiu E-Commerce Co., Ltd.

Shareholder Voting Right Proxy Agreement

In respect of Beijing Jiajujiu E-Commerce Co., Ltd.

April 1, 2012

Shareholder Voting Right Proxy Agreement

This Shareholder Voting Right Proxy Agreement (this “**Agreement**”) is entered into as of April 1, 2012 by and between the following Parties:

1. Zuyu DING

ID Card No.:

2. Weijie MA

ID Card No:

(Zuyu DING and Weijie MA are hereinafter referred to individually as a “**Shareholder**” and collectively as the “**Shareholders**”).

3. Beijing Maiteng Fengshun Science and Technology Co., Ltd. (hereinafter, the “**WFOE**”)

Registered address: Room 811, No. 58, North Sihuan West Road, Haidian District, Beijing

4. Beijing Jiajujiu E-Commerce Co., Ltd. (hereinafter, the “**Company**”)

Registered address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

(In this Agreement, the above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

1. The Shareholders are the current shareholders of the Company, holding 100% equity interest of the Company.
2. The Shareholders intend to severally entrust their voting rights in the Company to the individuals designated by the WFOE, and the WFOE intends to designate the individuals to accept such entrust.

NOW, THEREFORE, the Parties, after friendly consultations, hereby mutually agree below:

Article 1 Voting Right Delegation

1.1 The Shareholders hereby irrevocably undertake to respectively sign a power of attorney in substance and form as set forth in Annex 1 hereof after the signing of this Agreement, to respectively entrust the individuals then designated by the WFOE (hereinafter, the “**Entrusted Persons**”) to exercise, on behalf of each of the Shareholders, the following rights that the Shareholders are entitled to in the capacity of shareholders of the Company under the then effective articles of association of the Company (collectively, the “**Entrusted Rights**”):

- (1) To propose to convene and attend Shareholders’ meetings of the Company as the representative of each of the Shareholders according to the articles of association of the Company;
- (2) To exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other senior management to be appointed and

removed by the Shareholders;

- (3) To exercise other voting rights of the Shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

The above authorization and entrustment are granted on the condition that the Entrusted Persons are PRC citizens and that the WFOE approves such authorization and entrustment. Upon and only upon written notice of dismissing and replacing the Entrusted Person(s) given by the WFOE to each of the Shareholders shall the Shareholder promptly entrust another PRC citizen then designated by the WFOE to exercise the above Entrusted Rights, and the new authorization and entrustment shall, upon the grant supersede the previous authorization and entrustment. The Shareholders shall not revoke the authorization and entrustment to the Entrusted Person(s) unless as provided in this Article.

- 1.2 The Entrusted Persons shall perform their obligations in respect of the entrustment hereunder to the extent authorized hereunder with due care and diligence and in compliance with laws. The Shareholders acknowledge and shall assume liabilities for any legal consequences arising as a result of the Entrusted Persons' exercise of the foregoing Entrusted Rights.
- 1.3 The Shareholders hereby confirm that the Entrusted Persons are not required to seek opinions from the relevant Shareholder prior to their exercise of the foregoing Entrusted Rights. However, the Entrusted Persons shall inform the Shareholders in a timely manner of any resolution or proposal on convening an interim shareholders' meeting after such resolution or proposal is made.

2

Article 2 Right to Information

- 2.1 For the purpose of exercising the Entrusted Rights hereunder, the Entrusted Persons are entitled to know various relevant information of the Company such as those in respect of its operation, business, customers, finance and employees, and shall have access to the relevant documentations and materials of the Company. The Company shall fully cooperate with the Entrusted Persons in this regard.

Article 3 Exercise of the Entrusted Rights

- 3.1 The Shareholders will provide sufficient assistances to the Entrusted Persons with regard to their exercise of the Entrusted Rights, including timely execution where necessary of resolutions of shareholders' meetings adopted by the Entrusted Persons or other pertinent legal documents (e.g., where the same is required in order to submit documents for purpose of governmental approvals, registrations or filings.).
- 3.2 If at any time within the term of this Agreement, the grant or exercise of the Entrusted Rights hereunder is unrealizable for whatever cause (except for default of any Shareholder or the Company), the Parties shall immediately seek the most similar alternative solution and, if necessary, enter into a supplementary agreement to amend or adjust the provisions herein, in order to ensure the realization of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that in no case shall the WFOE be required to be liable to or compensate (monetary or otherwise) the other Parties or any third party in respect of exercise of the Entrusted Rights hereunder by the individuals designated by it.
- 4.2 The Shareholders and the Company agree to indemnify and hold the WFOE free from and harmless against all losses incurred or likely to be incurred due to exercise of the Entrusted Rights by the Entrusted Persons designated by the WFOE, including without limitation, any loss resulted from any litigation, demand, arbitration or claim by any third party against it or from administrative investigation or penalty, PROVIDED, HOWEVER, THAT no indemnification is available for any losses caused by a willful default or gross negligence of the Entrusted Persons.

Article 5 Representations and Warranties

- 5.1 Each Shareholder hereby represents and warrants severally that:
- 5.1.1. It is a Chinese citizen with full capacity of action. It has the complete and independent legal status and legal capacity to execute, deliver and perform this Agreement.

3

It may sue or be sued independently.

- 5.1.2. It has the full power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it; and the full power and authority to consummate the transaction contemplated hereby. This Agreement is duly executed and delivered by it. This Agreement shall constitute its legal and binding obligation and may be enforceable against it in accordance with the terms hereof.
- 5.1.3. It is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for those rights created under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.
- 5.2 Each of the WFOE and the Company hereby represents and warrants severally that:
- 5.2.1 It is a limited liability company duly registered and validly existing under the laws where it is registered and has the independent legal person status. It has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may sue or be sued independently.
- 5.2.1 It has the full corporate power and authority to execute and deliver this Agreement and all other documents relating to the transaction contemplated hereby that are to be executed by it. It has the full power and authority to consummate the transaction contemplated hereby.

5.3 The Company further represents and warrants that:

5.3.1 Each Shareholder is the registered legal shareholder of the Company as of the effective date of this Agreement. Except for the rights under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement entered into by and between the Shareholders, the Company and the WFOE on the date hereof, the Entrusted Rights are free of any third-party right. Pursuant to this Agreement, the Entrusted Persons may exercise the Entrusted Rights fully and completely in accordance with the then effective articles of association of the Company.

4

Article 6 Term of this Agreement

- 6.1 Subject to the provisions of Articles 6.2 and 6.3 hereof, the term of this Agreement shall be twenty (20) years, unless it is early terminated by the Parties in writing or pursuant to Article 9.1 hereof. The term of this Agreement will not be extended upon expiration; provided, however, that the term of this Agreement will be automatically extended for one (1) year upon the expiration, if the WFOE gives the other Parties written notice requiring the extension thereof, and the same mechanism will apply subsequently upon the expiration of each extended term.
- 6.2 This Agreement shall terminate, if the Company or the WFOE, upon expiry of its business term, fails to deal with the approval and registration for the extension thereof.
- 6.3 If any Shareholder transfers all of the equity interest it holds in the Company to any person with the WFOE's prior consent, the Shareholder will no longer be a Party hereto and the obligations and undertakings of any other Parties hereunder will not be adversely affected.

Article 7 Notices

- 7.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party(ies).
- 7.2 The above notices or other correspondence shall be deemed delivered (i) upon being sent out if by facsimile or electric transmission, or (ii) upon handover in person if by hand delivery; or (iii) upon the fifth (5th) day of being posted if by mail.

Article 8 Confidentiality

- 8.1 Regardless of the termination of this Agreement, each Party is obligated to keep strictly confidential trade secrets, proprietary information, clients' information and all other information of confidential nature related to the other Parties that are known to the former Party during the course of its execution and performance of this Agreement (the "**Confidential Information**"). Unless as agreed to by the Party who disclosed the Confidential Information (the "**Disclosing Party**") in writing in advance, or as required by the relevant laws, regulations or the requirements applicable where the publicly listed affiliated company of any Party is located, the receiving party of the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any of such Confidential Information. Except for the purpose of performing this Agreement, the Receiving Party shall not use any Confidential Information.

5

8.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as evidenced by certain written evidence;
- (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
- (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

8.3 The Receiving Party may, for the purpose of performing this Agreement, disclose Confidential Information to its relevant employees, agents or professionals engaged by it, provided, however, the Receiving Party shall ensure that such persons shall abide by the relevant terms and conditions of this Article 8, and shall assume any liability incurred as a result of the breach by any of such persons of the relevant terms and conditions of this Article 8.

8.4 Notwithstanding any other provision of this Agreement, the effect of this Article 8 shall not be affected by the termination of this Agreement.

Article 9 Liabilities for Breach

9.1 The Parties agree and confirm that, if any of the Parties (the "**Breaching Party**") is materially in breach of any provision hereof, or materially fails or delays in performing any of the obligations hereunder, a breach hereof is constituted (a "**Breach**"), and any of the other Parties which does not commit any Breach (a "**Non-breaching Party**") has the right to require that the Breaching Party rectify it or take a remedial action within a reasonable period. If the Breaching Party fails to rectify the Breach or take remedial actions within the reasonable period or within ten (10) days of the other Party's written rectification notice, then:

- 9.1.1. if any Shareholder or the Company is the Breaching Party, the WFOE is entitled to terminate this Agreement and require the Breaching Party to indemnify it against its damage;
- 9.1.2. if the WFOE is the Breaching Party, each of the Non-defaulting Parties is entitled to require the Breaching Party to indemnify it against its damage; but unless otherwise provided for by law, in no case does it have the right to terminate or cancel this Agreement.

9.2 Notwithstanding any other provision herein, the effect of this Article 9 shall not be affected by the suspension or termination of this Agreement.

Article 10 Miscellaneous

10.1 This Agreement is written in Chinese in four (4) originals. Each of the Parties to this Agreement shall hold one (1) original.

- 10.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by laws of People Republic of China.
- 10.3 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration award shall be final and binding upon the Parties.
- 10.4 None of the rights, powers or remedies granted to each of the Parties by any provision of this Agreement shall preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party's exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.
- 10.5 A Party's failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the "**Available Rights**") shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.
- 10.6 The headings in this Agreement are written for the ease of reference only, and in no event, shall be used for, or affect, the interpretation to this Agreement.
- 10.7 Each provision herein is separable and independent from all other provisions herein. If any one provision or more provisions of this Agreement become invalid, illegal or unenforceable at any time, the validity, legality and enforceability of other provisions herein shall not be affected.
- 10.8 This Agreement, after signing, shall supersede any other prior legal documents among the Parties with respect to the subject matter hereof. Any amendment or supplement hereto shall be made in writing and shall not become effective until its due execution by the Parties hereto.
- 10.9 Without the WFOE's prior written consent, none of the other Parties may transfer any of its rights and/or obligations hereunder to any third party. The Shareholders and the Company hereby agree that the WFOE is entitled to transfer any of its rights and/or obligations hereunder to any third party upon written notice thereof to the Shareholders and the Company.
- 10.10 This Agreement shall be binding on the legal successors of the Parties.

[SIGNATURE PAGE]

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

Zuyu DING

By: /s/ Zuyu DING

Weijie MA

By: /s/ Weijie MA

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

Beijing Jiajujiu E-Commerce Co., Ltd.

(Company seal)

By: /seal/

Name:

Title:

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Zuyu DING (Domicile [*], ID card No.: [*]) as of [*] and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Zuyu DING, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Jiajujiu E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Beijing Maiteng Fengshun Science and Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of [*] expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING

Signature: _____

Date: [*]

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Weijie MA (Domicile [*], ID card No.: [*]) as of [*] and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Weijie MA, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Jiajujiu E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend Shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on behalf of each of the Shareholders, their voting rights on all matters requiring discussion or resolutions of the Shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers to be appointed and removed by the Shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid unless and until the Shareholder Voting Right Proxy Agreement executed by and between Beijing Maiteng Fengshun Science and Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the Shareholders of the Company as of [*] expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Weijie MA

Signature: _____

Date: [*]

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Zuyu DING (Domicile [*], ID card No.: [*]) as of April 1, 2012 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Zuyu DING, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Jiajujiu E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Beijing Maiteng Fengshun Science and Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of April 1, 2012 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Zuyu DING
Signature: /s/ Zuyu DING
Date: April 1, 2012

Power of Attorney

THIS POWER OF ATTORNEY (hereinafter, the “**Power of Attorney**”) is executed by Weijie MA (Domicile [*], ID card No.: [*]) as of April 1, 2012 and issued to Xin ZHOU (Domicile [*], ID card No.: [*]) (hereinafter, the “**Entrusted Person**”).

I, Weijie MA, hereby entrust the Entrusted Person with full representative power to exercise the following rights owned by me in the capacity of a shareholder of Beijing Jiajujiu E-Commerce Co., Ltd. (hereinafter, the “**Company**”) on my behalf:

- (1) As my representative, to propose to convene and attend shareholders’ meetings of the Company according to the articles of association of the Company;
- (2) As my representative, to exercise, on my behalf, voting rights on all matters requiring discussion or resolutions of the shareholders’ meetings of the Company, including without limitation, the appointment and election of the Company’s directors and other officers, who should be appointed and removed by the shareholders;
- (3) As my representative, to exercise other voting rights of a shareholder as specified in the articles of association of the Company (including any other shareholder voting rights as specified in the amended articles of association).

I hereby irrevocably confirm that this Power of Attorney shall continue to be valid until the Shareholder Voting Right Proxy Agreement executed by and between Beijing Maiteng Fengshun Science and Technology Co., Ltd. (hereinafter, the “**WFOE**”), the Company and the shareholders of the Company as of April 1, 2012 expires or is early terminated, unless the WFOE gives me a direction to replace the Entrusted Person.

Authorization is hereby made.

Name: Weijie MA
Signature: /s/ Weijie MA
Date: April 1, 2012

Zuyu Ding

Weijie MA

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

AND

Beijing Jiajujiu E-Commerce Co., Ltd.

Equity Pledge Agreement
regarding Beijing Jiajujiu E-Commerce Co., Ltd.

April 1, 2012

EQUITY PLEDGE AGREEMENT

This **EQUITY PLEDGE AGREEMENT** (this “**Agreement**”) is entered into in Shanghai, the PRC, on April 1, 2012 by and among:

1. Zuyu DING

Identity Card No.:

2. Weijie MA

Identity Card No:

(**Zuyu DING** and **Weijie MA** are hereinafter referred to individually as a “**Pledgor**” and collectively as the “**Pledgors**”).

3. Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “Pledgee”)

Registered address: Room 811, No. 58, North Sihuan West Road, Haidian District, Beijing

4. Beijing Jiajujiu E-Commerce Co., Ltd. (the “Company”)

Registered address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS:

- (1) The Pledgors are the registered shareholders of the Company, legally holding all the equity interest in the Company (the “**Company Equity Interest**”). Appendix 1 sets forth the capital contribution amount and the shareholding percentage of each Pledgor in the registered capital of the Company on the signing date of this agreement.
- (2) The Parties to this Agreement entered into the Exclusive Call Option Agreement (the “**Call Option Agreement**”) on April 1, 2012. Under the Call Option Agreement, the Pledgors shall, to the extent permitted by the PRC Law, transfer all or part of the equity interest they hold in the Company to the Pledgee and/or any other entity or individual designated by the Pledgee based on the Pledgee’s request.

- (3) The Parties to this Agreement entered into the Shareholder Voting Rights Proxy Agreement (the “**Proxy Agreement**”) on April 1, 2012. Under the Proxy Agreement, the Pledgors irrevocably delegated the individual then designated by the Pledgee with the full power to exercise on behalf of the Pledgors all their shareholder voting rights in the Company.
- (4) The Pledgors and Pledgee entered into a Loan Agreement on February 1, 2012 (the “**Loan Agreement**”). The Pledgee has provided the Pledgors with a loan in the amount of RMB15,000,000 (in words: fifteen million Yuan).
- (5) As the Pledgors’ security for the performance of the Contractual Obligations (as defined below) and the discharge of the Secured Liabilities (as defined below), the Pledgors are willing to pledge all the Company Equity Interest they hold in favor of the Pledgee and grant the Pledgee the first pledge, and the Company agrees to such equity interest pledge arrangement.

THEREFORE, the Parties, through negotiation, agree as follows:

Article 1 Definitions

1.1 Unless otherwise indicated in the context, in this Agreement, the following terms shall be interpreted as follows.

“**Contractual Obligations**” means all the contractual obligations of the Pledgors under the Call Option Agreement, the Proxy Agreement and the Loan Agreement, all the contractual obligations of the Company under the Call Option Agreement and the Proxy Agreement, and all the contractual obligations of the Pledgors and the Company under this Agreement.

2

“**Secured Liabilities**” means all the direct, indirect and derivative losses and loss of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgors and/or the Company; the basis for determining the amount of such losses includes but not limited to the reasonable commercial plan and profit forecast of the Pledgee; and all the expenses incurred by the Pledgee to enforce the performance by the Pledgors and/or the Company of their Contractual Obligations.

“**Transaction Documents**” means the Call Option Agreement, the Proxy Agreement and the Loan Agreement.

“**Event of Default**” means any breach by any Pledgor of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Loan Agreement and/or this Agreement, and any breach by the Company of any of its Contractual Obligations under the Call Option Agreement, the Proxy Agreement, the Service Agreement and/or this Agreement.

“**Pledged Equity Interest**” means all the Company Equity Interest lawfully owned by the Pledgors and to be pledged to the Pledgee in accordance with this Agreement as the security for the performance of the Contractual Obligations by the Pledgors and the Company (see Appendix 1 for the specific Pledged Equity Interest of each Pledgor), and the increased capital contribution amount and the dividend as provided in Article 2.6 and Article 2.7 of this Agreement.

“**PRC**” means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

“**PRC Law**” means the then-effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations, and other binding regulatory documents of the PRC.

1.2 Any reference to any PRC Law in this Agreement shall be deemed (1) to include references to the amendments, changes, supplements and restatement of such PRC Law, irrespective of whether they take effect before or after the execution of this Agreement, and (2) to include the references to other decisions, notices and regulations enacted in accordance therewith or effective as a result thereof.

3

1.3 Unless otherwise specified in the context herein, any reference to an Article, clause, item or paragraph in this Agreement shall refer to the corresponding part of this Agreement.

Article 2 Pledge of Equity Interest

2.1 The Pledgors hereby agree to pledge the Pledged Equity Interest, which they lawfully own and are entitled to dispose of, to the Pledgee in accordance with the provisions of this Agreement as the security for the performance of the Contractual Obligations and the discharge of the Secured Liabilities. The Company hereby agrees to the Pledgors’ pledge of the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.

2.2 The Pledgors undertake to be responsible for registering the equity interest pledge arrangement (the “**Equity Pledge**”) under this Agreement on the Company’s register of shareholders immediately on the signing date of this agreement.

The Parties shall use their best efforts to apply to the registration authority in charge of the Company for registration of the Equity Pledge under this Agreement immediately after the signing of this Agreement.

2.3 During the valid term of this Agreement, unless attributable to the Pledgee’s willful conduct or the Pledgee’s gross negligence with direct causation to the consequence, the Pledgee shall in no way be held liable to any reduction of the value of the Pledged Equity Interest, and the Pledgors have no right to claim any compensation or other request in any way against the Pledgee.

2.4 Without breaching the provisions of Article 2.3 above, if there is any probability that the value of the Pledged Equity Interest will notably reduce which is sufficient to jeopardize the rights of the Pledgee, the Pledgee may at any time auction or sell the Pledged Equity Interest on behalf of the Pledgors, and may reach agreement with the Pledgors to use the proceeds from such auction or sales to prepay the Secured Liabilities or to deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledgee). Further, if requested by the Pledgee, the Pledgors shall offer additional security interest over other property.

2.5 Upon the occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity Interest in accordance with Article 4 of this Agreement.

4

- 2.6 The Pledgors shall not increase the registered capital of the Company without the Pledgee's prior consent. The increased capital contribution amount of the Pledgors in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest.
- 2.7 No dividend or capital bonus on the Pledged Equity Interest shall be distributed to the Pledgors without the Pledgee's prior consent. The Pledgors agree that during the term of pledge, the Pledgee has the right to collect any dividend or capital bonus out of the Pledged Equity Interest. The Company shall pay such amount into the bank account designated by the Pledgee.
- 2.8 The Pledgee has the right to dispose of any of the Pledged Equity Interest of any Pledgor in accordance with this Agreement after the occurrence of any Event of Default.

Article 3 Release of Pledge

- 3.1 After the Pledgors and the Company fully and completely perform all of the Contractual Obligations and discharge all of the Secured Liabilities, the Pledgee shall, upon the Pledgors' request, release the Equity Pledge under this Agreement and cooperate with the Pledgors to cancel the registration of the Equity Pledge on the Company's register of shareholders and with the administration of industry and commerce in charge of the Company. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity Interest

- 4.1 The Parties agree that if any Event of Default occurs, the Pledgee has the right to, by notifying the Pledgors in writing, exercise all the remedial rights and powers that it is entitled to under the PRC Law, the Transaction Documents and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity Interest. The Pledgee shall not be liable to any loss caused by its reasonable exercise of such rights and powers.
- 4.2 The Pledgee has the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and powers above, and neither the Pledgors nor the Company may oppose thereto.
- 4.3 The Pledgee has the right to deduct the reasonable expenses actually incurred from its exercise of all or any part of its rights and powers above from the proceeds gained from its exercise of such rights and powers.

5

- 4.4 The proceeds gained from the Pledgee's exercise of its rights and powers shall be settled in accordance with the following order:
- (1) firstly, pay all expenses arising out of the disposal of the Pledged Equity Interest and the Pledgee's exercise of its rights and powers (including the remuneration paid to its lawyers and agents);
 - (2) secondly, pay the taxes and charges payable for the disposal of the Pledged Equity Interest; and
 - (3) thirdly, repay the Secured Liabilities to the Pledgee.

If there is any balance after the payment of the above amounts, the Pledgee shall return the balance to the Pledgors or any other person entitled to such amount pursuant to relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred to be assumed by the Pledgee).

- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity Interest under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

- 5.1 All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to the stamp duty, any other taxes and all legal fees and etc., shall be assumed by the Parties respectively.

Article 6 Continuity and No Waiver

- 6.1 The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Liabilities are fully discharged. No waiver or grace period of any default of the Pledgors given by the Pledgee, nor the Pledgee's late exercise of any of its rights under the Transaction Documents and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Documents and the relevant PRC Law to require at any time thereafter the Pledgors to strictly implement the Transaction Documents and this Agreement, or the rights the Pledgee is entitled to with respect to the Pledgors' subsequent breach of the Transaction Documents and/or this Agreement.

6

Article 7 Pledgors' Representations and Warranties

Each of the Pledgors respectively represents and warrants to the Pledgee as follows:

- 7.1 The Pledgors are PRC citizens with full legal capacity, having full civil rights and powers to execute this Agreement and assume the legal obligations in accordance with this Agreement.
- 7.2 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement that the Pledgors provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.

- 7.3 All the reports, documents and information related to the Pledgors and all the matters required under this Agreement to be provided by the Pledgors to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.
- 7.4 Upon the effectiveness of this Agreement, the Pledgors are the sole legal owners of the Pledged Equity Interest. There is no then pending disputes on the ownership of the Pledged Equity Interest. The Pledgors are entitled to dispose of the Pledged Equity Interest or any part thereof.
- 7.5 Except the security interest created over the Pledged Equity Interest under this Agreement and the rights created under the Transaction Documents, there are no other security interest or third party rights or any other encumbrance over the Pledged Equity Interest.
- 7.6 The Pledged Equity Interest can be legally pledged and transferred, and the Pledgors have full rights and powers to pledge the Pledged Equity Interest to the Pledgee in accordance with the provisions of this Agreement.
- 7.7 This Agreement, upon due execution by the Pledgors, constitutes the lawful, valid and binding obligations of the Pledgors after the signing of this Agreement.
- 7.8 Any third party approvals, permits, waivers and authorizations, any approvals, permits and waivers of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required), which is required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or completed (subject to clause 2 of Article 2.2), and will be fully effective during the valid term of this Agreement.
- 7.9 Each Pledgor's execution and performance of this Agreement does not violate or conflict with any laws applicable thereto, any agreement to which it is a party or by which its assets is bound, any court adjudication, any arbitration award or any decision of administrative authorities.

7

- 7.10 The pledge under this Agreement constitutes the security interest over the Pledged Equity Interest with the first priority.
- 7.11 Unless otherwise provided by Equity Interest Transfer Agreement, all taxes and expenses payable for obtainment of the Pledged Equity Interest have been paid by the Pledgors in full.
- 7.12 There is no pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledgors or their property or the Pledged Equity Interest, nor is there any pending or, to the knowledge of the Pledgors, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledgors or their property or the Pledged Equity Interest, which will have material or adverse effect on the financial conditions of the Pledgors or their abilities to perform their obligations and security liabilities under this Agreement.
- 7.13 The Pledgors hereby undertake to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Liabilities are discharged in full.

Article 8 Company's Representations and Warranties

The Company represents and warrants to the Pledgee as follows:

- 8.1 The Company is a limited liability company duly registered and lawfully existing under the PRC Law with independent legal person status, having independent and full legal status and capacity to execute, deliver and perform this Agreement, and can be an independent party to a lawsuit.
- 8.2 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement which the Company provided to the Pledgee prior to the effectiveness of this Agreement are true and accurate in all material respects as of the effectiveness of this Agreement.
- 8.3 All the reports, documents and information related to the Pledged Equity Interest and all the matters required under this Agreement to be provided by the Company to the Pledgee after the effectiveness of this Agreement will be true and valid in all material respects upon provision.

8

- 8.4 This Agreement, upon due execution by the Company, constitutes the lawful, valid and binding obligations of the Company.
- 8.5 It has full internal corporate power and authorization to execute and deliver this Agreement and all other documents related to the transaction contemplated in this Agreement and to be executed by it. It has full power and authorization to complete the transaction contemplated in this Agreement.
- 8.6 There is no pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledged Equity Interest, the Company or its property, nor is there any pending or, to the knowledge of the Company, threatened lawsuit, legal proceeding or claim at any government agency or administrative authority against the Pledged Equity Interest, the Company or its property, which will have material or adverse effect on the financial conditions of the Company or the Pledgors' abilities to perform their obligations and security liabilities under this Agreement.
- 8.7 The Company hereby agrees to assume the joint and several liabilities to the Pledgee with respect to the representations and warranties made by each of the Pledgors under Article 7.4, Article 7.5, Article 7.6, Article 7.8 and Article 7.10 of this Agreement.
- 8.8 The Company hereby undertakes to the Pledgee that the above representations and warranties will all be true and accurate and be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full and the Secured Liabilities are discharged in full.

Article 9 Pledgors' Undertakings

Each Pledgor hereby respectively undertakes to the Pledgee as follows:

- 9.1 Without the prior written consent of the Pledgee, the Pledgors shall not create, or allow to be created, any new pledge or any other security interest over the Pledged Equity Interest. Any pledge or other security interest created over all or any part of the Pledged Equity Interest without the prior written consent of the Pledgee shall be invalid.
- 9.2 Without the prior written notice to and the prior written consent of the Pledgee, the Pledgors shall not transfer the Pledged Equity Interest and all activities of the Pledgors to transfer the Pledged Equity Interest shall be invalid.

The proceeds obtained from the Pledgors' transfer of the Pledged Equity Interest shall be used first to prepay the Secured Liabilities to the Pledgee or to be deposited with a third party as agreed with the Pledgee.

- 9.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledgors or the Pledgee under the Transaction Documents and this Agreement or on the Pledged Equity Interest, the Pledgors undertake to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 9.4 The Pledgors undertake to complete the registration formalities to extend the business term of the Company three months before the expiration of the business term of the Company so as to continue the effect of this Agreement.
- 9.5 The Pledgors shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest. The Pledgors waive the right of first refusal to purchase the Pledged Equity Interest when the Pledgee realizes its pledge rights.
- 9.6 The Pledgors shall, after the signing of this Agreement, use their best efforts and take all necessary measures to register the Equity Pledge under this Agreement with the relevant administration of industry and commerce as soon as possible, and the Pledgors undertake to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.
- 9.7 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Pledgors undertake to take all measures to complete such transfer.
- 9.8 The Pledgors shall ensure that the convening process, voting methods and resolutions of the shareholders meetings and board meetings of the Company convened for the purpose of the exercise of the right of pledge under this Agreement be not in conflict with the laws, administrative regulations or the articles of association of the Company.

Article 10 Company's Undertakings

- 10.1 If any third party approval, permit, waiver or authorization, or any approval, permit or waiver of any governmental authorities, or any registration or filing formalities with any government authorities (if legally required) is required to be obtained or completed for the execution and performance of this Agreement and for the Equity Pledge under this Agreement, the Company shall endeavor to assist in obtaining it and keeping it fully effective during the valid term of this Agreement.

- 10.2 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' creation of any new pledge or other security interest over the Pledged Equity Interest.
- 10.3 Without the prior written consent of the Pledgee, the Company shall not assist in or allow the Pledgors' transfer of the Pledged Equity Interest.
- 10.4 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the Company, the Pledged Equity Interest or the Pledgee's interest under the Transaction Documents and this Agreement, the Company undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity Interest.
- 10.5 The Company undertakes to complete the registration formalities to extend its business term three months before the expiration of its business term so as to continue the effect of this Agreement.
- 10.6 The Company shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Documents and this Agreement or on the Pledged Equity Interest, including but not limited to any activity or action restricted under Article 9.
- 10.7 The Company shall, in the first month of each calendar quarter, provide the Pledgee with the financial statements of the Company for the immediately preceding calendar quarter, including but not limited to the balance sheet, the profit and loss statements and the cash flow statements.
- 10.8 The Company undertakes to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any agreement supplemental to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity Interest and the exercise and realization thereof.
- 10.9 If the exercise of the right of pledge under this Agreement results in the transfer of any Pledged Equity Interest, the Company undertakes to take all measures to complete such transfer.

Article 11 Change of Circumstances

11.1 As supplement and not in conflict with the Transaction Documents and the other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, regulations or rules, or the change of interpretation or application of such laws, regulations or rules, or the change of relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such laws, regulations and rules to keep this Agreement effective, to keep the right of pledge under this Agreement effective and/or to dispose of the Pledged Equity Interest in accordance with this Agreement, the Pledgors and the Company shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) keep this Agreement and the right of pledge under this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity Interest in accordance with this Agreement; and/or
- (3) keep or realize the security created or intended by this Agreement.

Article 12 Effectiveness and Term of this Agreement

12.1 This Agreement shall come into effect upon the satisfaction of all of the following conditions:

- (1) this Agreement has been duly executed by the Parties;
- (2) the Equity Pledge under this Agreement has been duly registered on the register of shareholders of the Company.

The Pledgors shall provide the Pledgee with the evidence of the registration of the Equity Pledge on the register of shareholders in form to the satisfaction of the Pledgee, and shall, after the registration of the Equity Pledge is completed and as required by the Pledgee, provide the Pledgee with the pledge certificate issued by the administration of industry and commerce in form to the satisfaction of the Pledgee.

12.2 The term of this Agreement shall end upon the full performance of the Contractual Obligations or the full discharge of the Secured Liabilities.

12

Article 13 Notices

13.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party.

13.2 If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Article 14 Miscellaneous

14.1 The Pledgors and the Company agree that the Pledgee may, upon notice to the Pledgors and the Company, assign the Pledgee's rights and/or obligations hereunder to any third party. However, the Pledgors or the Company shall not, without the Pledgee's prior written consent, assign their rights, obligations or liabilities hereunder to any third party. The successors or permitted assignees (if any) of the Pledgors and the Company shall continue to perform the respective obligations of the Pledgors and the Company under this Agreement.

14.2 When the Pledgee exercises its right of pledge to the Pledged Equity Interest pursuant to the provisions hereof, the amount of the Secured Liabilities determined by the Pledgee at its own discretion shall be regarded as the conclusive evidence of the Secured Liabilities hereunder.

14.3 This Agreement is written in Chinese and executed in five (5) originals, with one (1) original to be retained by each Party hereto. One (1) original is to be used for the application to the administration of industry and commerce in charge of the Company for registration of the Equity Pledge under this Agreement.

14.4 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the PRC Law.

14.5 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, such dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in Shanghai in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration, and the arbitration award shall be final and binding on the Parties.

14.6 None of the rights, powers or remedies granted to any Party by any provision herein shall preclude any other rights, powers or remedies available to such Party at law and under the other provisions of this Agreement.

13

In addition, the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies.

14.7 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the "Available Rights") shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Available Rights shall exclude such Party from exercising such rights in any other way and exercising the other Available Rights.

- 14.8 The headings of the provisions herein are for reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.
- 14.9 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.
- 14.10 Any amendments or supplements to this Agreement shall be made in writing. Except for assignment by the Pledgee of its rights hereunder according to Article 14.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the Parties to this Agreement. If any amendments or supplements to this Agreement legally require any approval of and/or any registration or filing with any government authority, the Parties shall obtain such approval and/or complete such registration or filing in accordance with law.
- 14.11 This Agreement shall be binding on the legal successors of the Parties.
- 14.12 Upon this Agreement taking effect, each Pledgor shall respectively sign a power of attorney (the “**Power of Attorney**”) to authorize any person designated by the Pledgee to sign on the Pledgor’s behalf according to this Agreement any and all legal documents necessary for the exercise of the Pledgee’s rights hereunder. Such Power of Attorney shall be delivered to the Pledgee to keep in custody and, when necessary, the Pledgee may at any time submit the Power of Attorney to the relevant government authority.

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[EXECUTION PAGE]

IN WITNESS WHEREOF, this EQUITY PLEDGE AGREEMENT is executed by the following Parties on the date first written above.

Zuyu DING

By: /s/ Zuyu DING

Weijie MA

By: /s/ Weijie MA

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

Beijing Jiajujiu E-Commerce Co., Ltd.

(Seal)

By: /seal/

Name:

Title:

APPENDIX 1

COMPANY GENERAL INFORMATION

Company Name: Beijing Jiajujiu E-Commerce Co., Ltd.

Registered Address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

Registered Capital: RMB15,000,000

Legal representative: Dong WEN

Shareholding Structure:

Shareholder name	Contribution in registered capital	Percentage of contribution	Method of contribution
Zuyu DING	RMB 10,500,000	70%	Currency

Weijie MA	RMB 4,500,000	30%	Currency
Total	RMB 15,000,000	100%	/

APPENDIX 2

FORM OF POWER OF ATTORNEY

I, [*], hereby irrevocably delegate [*] (identity card number: [*]) to act as my authorized representative to execute all legal documents necessary or useful for Beijing Maiteng Fengshun Science and Technology Co., Ltd. to exercise its rights under the “Equity Pledge Agreement regarding Beijing Jiajujiu E-Commerce Co., Ltd.” entered into by Beijing Jiajujiu E-Commerce Co., Ltd., it and me.

Signature:

Date:

EXCLUSIVE TECHNICAL SUPPORT AGREEMENT

This Agreement is entered into in Haidian District, Beijing as of April 1, 2012 by and between the following Parties:

Party A: **Beijing Maiteng Fengshun Science and Technology Co., Ltd.**

Address: Room 811, No. 58, North Sihuan West Road, Haidian District, Beijing

Party B: **Beijing Jiajujiu E-Commerce Co., Ltd.**

Address: Room 1513, 15/F, No. 5 Building, No. 1 Court, Shangdi 10th Street, Haidian District, Beijing

WHEREAS:

- (1) Party A is a limited liability company established and duly existing in Beijing, China, which mainly engages in the business of 1) the design, development and production of computer software and hardware; 2) system integrator; 3) the design and development of chip; 4) the provision of investment managerial consulting services, economic trading and business information consulting services; 5) organizing culture and art exchange activities; 6) graphic design and production; and 7) corporate image planning and design.
- (2) Party B is a limited liability company registered in Beijing, China, which mainly engages in the business of 1) sales of needles textiles, clothing accessories, shoes and hats, kitchen and bathroom appliances, various household supplies, furniture, building materials, suitcase, handbag, lamps, stationery, and sporting goods; 2) technique extension and technical service and 3) advertising design, as well as agency, making and publication of advertisements.
- (3) Party B operates E-commerce on its websites for sales of goods and provision of service authorized. Required for its business, Party B decides to engage Party A as its exclusive technology service provider, to provide Party B with the relevant services such as technology transfer, technology license, technology service and provision of equipment. Party A agrees to provide Party B with the Technology Service in accordance with this Agreement.

THEREFORE, through amicable consultations, the Parties have reached the following agreements on the detailed matters related to the provision of exclusive Technology Service by Party A to Party B.

Article 1 Definitions and Interpretation

- 1.1 “**Websites**” shall mean all websites operated by Party B.
- 1.2 “**e-commerce**” shall mean the buying and selling of products or services over electronic systems such as the Internet and other computer networks.
- 1.3 “**Internet Information Service**” shall mean the business of providing the Internet users with various information services via the Internet, including without limitation, search engine, Internet publication, online games, email and development of websites.
- 1.4 “**Internet Advertising Service**” shall mean the business of publishing online advertisements for the customers via the Internet.
- 1.5 “**Technology Service**” shall mean all technological service provided by Party A to Party B in accordance with this Agreement, including without limitation, technology transfer, technology license, technology service and provision of equipment.

Article 2 Exclusive Cooperation

- 2.1 Party A is Party B’s exclusive technology service provider. Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the Technology Service (including without limitation, technology transfer, technology license, technology service and provision of equipment) required for any of the business operated by Party B (including without limitation, the E-Commerce, Internet Information Service and the Internet Advertising Service) shall be provided by Party A on an exclusive basis. Without Party A’s prior written consent, Party B shall not seek any third party other than Party A to provide any part of the Technology Service under this Agreement in any manner.
- 2.2 Party B agrees that in case Party A objectively does not have the ability to provide Party B with certain part of the Technology Service, Party A may exclusively designate an appropriate third party to provide Party B with such part of the Technology Service in accordance with the terms and conditions provided in this Agreement. Party B further agrees that in any case, Party A is entitled to entrust, without any reason, any properly qualified third party to provide Party B with the Technology Service that should, pursuant to this Agreement, be provided by Party A to Party B. Party B agrees to accept the Technology Service provided by such appropriate third party entrusted by Party A.
- 2.3 In case of any of the following circumstances, Party B is entitled to, at its own discretion, seek any third party to provide the Technology Service:
 - 2.3.1 Party A voluntarily abandons its right to act as an exclusive technology service provider and gives a written consent to the provision of the Technology Service by a third party to Party B;
 - 2.3.2 Party A is objectively unable to provide Party B with certain part of the Technology Service and fails to designate any appropriate third party to provide Party B with such part of the Technology Service; or
 - 2.3.3 Party A decides to neither provide Party B with certain part of the Technology Service nor designate any appropriate third party to provide Party B with such part of the Technology Service.

Article 3 Technology Transfer

- 3.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be purchased for any of Party B’s business shall be provided by Party A on an exclusive basis. Party A will try its best to develop and transfer to Party B the technology that is required for Party B’s

business and owned by Party A.

- 3.2 The Parties shall negotiate with each other to enter into specific technology transfer contracts to expressly specify the detail matters such as the technology to be transferred, transfer fees and payment.

Article 4 Technology License

- 4.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology required to be licensed for any of Party B's business shall be provided by Party A on an exclusive basis.

2

Party A will try its best to license Party B to use the technology owned by Party A, or re-license Party B to use the technology as approved by the owner.

- 4.2 The Parties shall negotiate with each other to enter into specific technology license contracts to expressly specify the detail matters such as the technology to be licensed, the method to license the technology, license fees and payment.

Article 5 Technology Service

- 5.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the technology service (including without limitation, technology support, technology training and technology consulting, see Appendix I to this Agreement (*List of Technology Service*) for details) required for any of Party B's business shall be provided by Party A on an exclusive basis. Party A will try its best to provide Party B with the technology service required for and related to Party B's business.

- 5.2 Party B shall provide all necessary assistance to Party A's provision of technology service, including without limitation:

5.2.1 Party B shall cause its employees to take an appropriately and reasonably prudent attitude when using and operating the system and equipment;

5.2.2 Party B shall notify Party A immediately of any circumstance that may affect Party B's business;

5.2.3 Party B shall allow Party A and its authorized personnel to enter into, at any reasonable time, the premises owned or rent by Party B to place any system or equipment related to Party B's business; and

5.2.4 Any other necessary assistance.

- 5.3 The Parties agree to enter into (if necessary) separate technology service agreements on the details of various technology services during the valid term of this Agreement to specify or adjust the technology services to be provided, the methods to provide such services and the technicians within the framework provided in this Agreement.

- 5.4 With regard to the technology services provided by Party A to Party B, the Parties agree, based on the number of working hours of Party A's engineers to provide the technology services to Party B (on an hourly basis), to calculate the fees for the technology services at the following rates:

5.4.1 for the technology service provided by a Party A's senior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of RMB4,000 per hour per capita;

5.4.2 for the technology service provided by a Party A's mid-level engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the rate of RMB2,000 per hour per capita; and

3

5.4.3 for the technology service provided by a Party A's junior engineer to Party B, Party B shall calculate and pay to Party A the technology service fee at the price of RMB1,000 per hour per capita.

5.4.4 Party B shall calculate and pay to Party A the technical support fee at the rate of RMB20,000/month;

5.4.5 Party B shall calculate and pay to Party A the technical training fee at the rate of RMB10,000/month;

5.4.6 Party B shall calculate and pay to Party A the technical consulting fee at the rate of RMB20,000/month;

5.4.7 If the agreement is executed after its expiration date, such prices can be re-calculated each year.

5.4.8 The workload of each project: both parties shall budget at the early stage of the project and determine the final settlement of account when the project is finished. The workload shall be calculated according to the final settlement of account.

5.4.9 Time and method of settling accounts: both parties shall settle the account at December 20 each year according to actual situation and issue a sheet of settlement of account for both parties' confirmation.

5.5 Party A shall, within the first five working days of each month, issue a bill to Party B of the working hours for the technology services provided by Party A to Party B during the last month at the rates agreed by the Parties. The bill shall indicate the level of Party A's engineers who provided the technology services to Party B and their respective working hours, and Party B shall, within three working days after its receipt of the bill, pay to Party A the technology service fee in accordance with the amount in the bill.

Article 6 Provision of Equipment

- 6.1 Unless any event described in Article 2.2 or 2.3 of this Agreement occurs, all of the equipment required for any of Party B's business shall be provided by Party A on an exclusive basis or be provided by the equipment supplier designated by Party A. The specific way to provide such equipment (including without limitation, lease, sales and transfer) shall be decided by Party A unilaterally.
- 6.2 The Parties shall negotiate with each other to enter into specific equipment transfer agreements or equipment lease agreements to expressly specify the detail matters such as the method to provide such equipment, price and term.

Article 7 Payment

- 7.1 For the Technology Service provided by Party A to Party B, Party B shall, based on actual circumstances, pay to Party A the technology transfer fee, technology license fee, technology service fee and equipment fee etc. in accordance with the relevant provisions in this Agreement.
- 7.2 For the above fees paid by Party B, Party A shall issue corresponding invoices to Party B.
- 7.3 If Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, Party A may choose any of the following ways of payment for such third party's fees and require Party B to implement:
- 7.1.1 Party B pays the fees for the Technology Service to the third party directly; or
- 7.1.2 Party B pays the fees for the Technology Service to Party A directly and Party A is responsible for settling with such third party.
- 7.4 Where Party A designates a third party to provide Party B with the Technology Service in accordance with this Agreement, if Party A, for whatever reasons, assumes any joint and several liability to such third party due to Party B's reasons, Party B shall compensate Party A for all economic losses incurred thereby.

Article 8 Ownership of Assets

- 8.1 The Parties agree that the following assets originated from the Technology Service provided by Party A to Party B shall be owned by Party A:
- 8.1.1 the words, images, layouts and any other graphic designs or information content created or made by Party A, except those whose copyrights belong to third parties;
- 8.1.2 the database (including without limitation, the database storing contents and the database storing information of registered users) developed by Party A for Party B and all of the content contained therein; and
- 8.1.3 any other tangible or intangible assets originated or derived from the Technology Service provided by Party A to Party B in accordance with this Agreement, except those owned by Party B on clear grounds.
- 8.2 Party B recognizes Party A's ownership of the assets above and undertakes not to make any claim on any assets above. Where necessary and requested by Party A, Party B shall provide all necessary assistance (including without limitation, issuing corresponding certificates) to make clear Party A's ownership of the assets above.
- 8.3 During the term of cooperation between the Parties, except as specifically provided in this Agreement or other relevant written agreements that the ownership shall be transferred from Party A to Party B, all assets provided to Party B such as equipment, technology and software shall still be owned by Party A, and Party B shall only have the right of use over the assets during the valid term of this Agreement.

Article 9 Confidentiality

- 9.1 Either Party shall keep confidential any confidential material and information of the other Party known or accessed due to the execution or performance of this Agreement (the "**Confidential Information**"). Without the other Party's written consent, neither Party shall disclose, give or transfer such Confidential Information to any third parties.
- 9.2 If requested by either Party, the other Party shall return, destroy, or otherwise dispose of all of the documents, materials, or software that contain any Confidential Information as requested, and stop using the Confidential Information.
- 9.3 The Parties' obligations under this Article shall survive the termination of this Agreement. Either Party shall still comply with the confidentiality terms of this Agreement and fulfill the confidentiality obligations as promised, until the other Party gives consent to the release of such obligations or as a matter of fact, violation of the confidentiality terms herein will not cause damage of any form to the other Party.

Article 10 Payment of Taxes

- 10.1 The Parties shall respectively pay taxes to relevant tax authorities in accordance with relevant laws, regulations and State policies.
- 10.2 In the event that either Party pays any tax for the other Party, the paying Party shall submit the tax certificate to the payable Party as soon as possible, and the payable Party shall compensate the equivalent amount to the paying Party within seven days after the receipt of such tax certificate.

Article 11 Representations, Covenants and Warranties

- 11.1 Either of the Parties represents, covenants and warrants to the other Party as follows:

- 11.1.1 It is a company lawfully established and duly existing;
- 11.1.2 It is qualified to conduct the transaction hereunder and such transaction is in line with its business scope;
- 11.1.3 It has full power to enter into this Agreement, and its authorized representative has obtained full authorization to execute this Agreement on behalf of it;
- 11.1.4 It has the ability to perform its obligations hereunder, and such performance will not violate any restrictions of legal documents binding upon it;
- 11.1.5 It is not subject to any liquidation, dissolution or bankruptcy procedures.
- 11.2 Party B covenants that during the valid term of this Agreement, Party B shall notify Party A of any change in Party B's shareholding structure thirty days in advance.
- 11.3 Party B covenants that except as required for the works provided in this Agreement, Party B shall not use or copy the trademarks, signs or company names of Party A or its affiliates without Party A's prior written consent.
- 11.4 Party B shall neither conduct, nor allow any third party to conduct any act or omission that is detrimental to Party A's ownership of technology or any other intellectual property or any other rights of Party A.

Article 12 Liability for Breach of Contract

- 12.1 Either Party's direct or indirect violation of any provisions herein or failure in assuming or untimely or insufficient assumption of any of its obligations hereunder shall constitute a breach of contract. The non-breaching Party (the "**Non-Breaching Party**") is entitled to send to the breaching Party (the "**Breaching Party**") a written notice, requesting the Breaching Party to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.2 After the occurrence of breach, in case such breach has made it impossible or unfair for the Non-Breaching Party to perform its corresponding obligations hereunder based on the Non-Breaching Party's reasonable and objective judgments, the Non-Breaching Party is entitled to send to the Breaching Party a written notice of its temporary suspension of performance of corresponding obligations hereunder, until the Breaching Party stops the breach, takes sufficient, effective and timely measures to eliminate the effects of breach, and compensate the Non-Breaching Party for any losses incurred by the breach.
- 12.3 The losses of the Non-Breaching Party that should be compensated by the Breaching Party include direct economic losses and any foreseeable indirect losses and extra expenses incurred by the breach, including without limitation, the attorneys' fee, litigation and arbitration fee, financial expense and travel charge.

6

Article 13 Force Majeure

- 13.1 "**Force Majeure**" shall mean events beyond the reasonable control of the Parties that are unforeseeable or foreseeable but unavoidable, which cause obstruction in, impact on or delay in either Party's performance of part or all of its obligations in accordance with this Agreement, including without limitation, government acts, natural disasters, wars, hacker attacks or any other similar events.
- 13.2 The Party affected by Force Majeure may suspend the performance of relevant obligations hereunder that cannot be performed due to Force Majeure until the effects of Force Majeure are eliminated, without having to assume any liability for breach of contract, provided however that, such Party shall endeavor to overcome such events and reduce the negative effects to the best of its abilities.
- 13.3 The Party affected by Force Majeure shall provide the other Party with valid certificate documents verifying the occurrence of Force Majeure events, which documents shall be issued by the notary office where the events occur (or other appropriate agencies). In case the Party affected by Force Majeure cannot provide such certificate documents, the other Party may request it to assume the liability for breach of contract in accordance with this Agreement.

Article 14 Effectiveness, Amendment and Termination

- 14.1 This Agreement takes effect as of the date when it is signed and stamped by the authorized representatives of the Parties, and shall be terminated on the date when Party B dissolves according to law.
- 14.2 Unless provided otherwise herein, Party A is entitled to immediately early terminate this Agreement unilaterally by sending a written notice upon any of the followings happening to Party B:
 - 14.2.1 Party B breaches this Agreement, and within thirty (30) days after Party A sends out the written notice, fails to rectify its breach, take sufficient, effective and timely measures to eliminate the effects of breach, and compensate Party A for any losses incurred by the breach.
 - 14.2.2 Party B is bankrupt or is subject to any liquidation procedure and such procedure is not revoked within seven (7) days; and
 - 14.2.3 due to any event of Force Majeure, Party B's failure to perform this Agreement lasts for over twenty (20) days.
- 14.3 Except as provided in the immediate precedent clause, Party B agrees that Party A is entitled to early terminate this Agreement at any time by sending a written notice twenty days in advance without any reason. However, Party B is not entitled to early terminate this Agreement unless as provided herein.
- 14.4 The early termination of this Agreement shall not affect the rights and obligations of the Parties arising out of this Agreement prior to the early termination date.

7

Article 15 Delivery of Notice

15.1 Notices relevant to this Agreement sent by one Party to the other shall be made in written form and delivered in person, or by fax, telegram, telex or email, or by registered mail (postage paid) or express mail. As to those delivered in person or by fax, telegram, telex or email, the delivery date shall be the date when it is sent; as to those delivered by registered mail (postage paid) or express mail, the delivery date shall be the third day after it is sent.

Article 16 Dispute Resolution

- 16.1 With regard to disputes arising out of the interpretation and performance of the terms hereunder, the Parties shall resolve the disputes through consultations in good faith.
- 16.2 In case no resolution can be made, the dispute shall be submitted to China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with its arbitration rules then effective. The arbitration shall be conducted in Chinese. The arbitration award shall be final and binding upon the Parties.
- 16.3 The conclusion, effectiveness, implementation and interpretation of this Agreement and resolution of disputes shall all be governed by the PRC laws.

Article 17 Miscellaneous

- 17.1 This Agreement is written in two originals. Each of the Parties shall hold one original with each having the same legal effect.
- 17.2 The headings in this Agreement are written for the ease of reference only, and in no event shall they affect the interpretation of any terms of this Agreement.
- 17.3 The Parties may amend and supplement this Agreement in the way of a written agreement. Amendment agreements and supplement agreements executed by the Parties are both part of this Agreement, having the same legal effect as this Agreement.
- 17.4 In case any term herein becomes all or partly invalid or unenforceable due to the violation of law or governmental regulations or other reasons, the affected part of such term shall be considered to have been removed, provided however that, the removal of the affected part of such term shall not affect the legal effect of the remaining part of such term or other terms herein. The Parties shall conclude new terms through consultations to replace such invalid or unenforceable terms.
- 17.5 Unless provided otherwise, a Party's failure or delay in exercising any of the rights, powers or privileges that it is entitled to under this Agreement shall not be considered its waiver of such rights, powers or privileges, nor shall any single or partial exercise of any rights, powers or privileges by a Party preclude its exercise of other rights, powers or privileges.
- 17.6 This Agreement constitutes all agreements reached by the Parties on the subject matter of the cooperation project, and supersedes any previous or concurrent oral and written agreement, understanding and correspondence relevant to the subject matter of the cooperation project between the Parties. Unless specifically provided herein, there is no other explicit or implicit obligation or covenant between the Parties.

8

17.7 Matters not covered in this Agreement shall be determined by the Parties separately through consultations.

Beijing Maiteng Fengshun Science and Technology Co., Ltd.

Authorized Representative: /seal/

Beijing Jiajujiu E-Commerce Co., Ltd.

Authorized Representative: /seal/

9

Appendix I: List of Technology Service

The Parties agree that, the technology services described in this Agreement includes without limitation:

1 Technology Support for E-Commerce Service

- 1.1 Party A agrees to act as Party B's technology service provider and provide Party B with the technology services required for the operation of the e-commerce in accordance with the conditions of this Agreement, with the specific content including without limitation, the following items in connection with the e-commerce Service:
- 1.1.1 Development, update and upgrade of the client side software;
 - 1.1.2 Development, update and upgrade of the web server side software;
 - 1.1.3 Technology development and maintenance of the database;
 - 1.1.4 Technology development of the system;
 - 1.1.5 General design scheme of the system;

- 1.1.6 Installation and debugging of the system;
- 1.1.7 Trial run and testing of the system;
- 1.1.8 Installation and debugging of the system's expansion;
- 1.1.9 Inspection and maintenance of the hardware equipment for operation;
- 1.1.10 Daily maintenance of the system software;
- 1.1.11 Improvement and upgrade of the system software.

Article 2 Technology Support for Internet Information Service

- 2.1 Party A agrees to provide Party B with the technology services in connection with the Internet Information Service. The specific content of the technology services includes without limitation:
 - 2.1.1 Development, update and upgrade of the client side software;
 - 2.1.2 Development, update and upgrade of the web server side software;
 - 2.1.3 Technology development and maintenance of the database;
 - 2.1.4 Technology development of the system, general design, testing, installation and debugging, installation and debugging of the expansion, inspection and maintenance of the hardware equipment for operation, daily maintenance of the software, improvement and upgrade of the software in connection with the Internet Information Service.

10

- 2.2 Compilation, gathering statistics and integration as well as database programming and design of technical platform of various information required to be used by Party B in the operation of the Internet Information Service, including without limitation, news, finance and economics, science and technology, sports, entertainment, games, fashion, education, medical treatment, health, culture and resources of professionals, assisting in the determination of the framework and channel structural design of the same, and provision of content update services at the technical level.
- 2.3 Providing Party B with design and technical support of web pages, and assisting Party B in providing end users with relaxing and friendly interfaces of various services such as news browsing, shopping, medical treatment, chatting, entertainment, search and registration.
- 2.4 With regard to the system software required for the website operation that is provided by Party A to Party B, Party A shall provide Party B with materials and documents of the system such as user guide and manual of such system software for the website operation.
- 2.5 In case that Party B needs to change the system environment of the website, including operating system environment, database environment and so forth, where Party A's assistance is required, Party A shall provide corresponding solutions.
- 2.6 Assisting Party B in resolving problems occurred during the process of installation and operation of the website operating equipment.

Article 3 Technology Support for Internet Advertising Service

- 3.1 Party A agrees to provide Party B with the technology services in connection with the Internet Advertising Service. The specific content of the technology services includes without limitation:
 - 3.1.1 Development, update and upgrade of the Internet advertisement publishing software;
 - 3.1.2 Installation and debugging of the Internet advertisement publishing software;
 - 3.1.3 Technical maintenance of the Internet advertisement publishing software;
 - 3.1.4 Design and production of Internet advertisements.

Article 4 Technology Training

- 4.1 Party A agrees to provide Party B and staff of Party B with the following training:
 - 4.1.1 Skills training in respect of the installation and operation of equipment and facilities;
 - 4.1.2 Training on providing appropriate customer services or techniques and other aspects;
 - 4.1.3 Training on using the on-line editing software.

11

Article 5 Technology Consulting

- 5.1 To provide consulting service for the purchase of relevant equipment and software and hardware system required for Party B's operation of the Internet Information Service, including without limitation, to provide technical advice for the selection and installation and debugging of various tool software,

application software and technical platform, and the purchase, types and performance of various matching hardware facilities and equipment.

- 5.2 With regard to the technical projects designated by Party B, Party A agrees to provide Party B with technology consulting services such as technological demonstration, technological forecasting, special technological investigation and analysis and assessment report.
- 5.3 To provide technology consulting services for the application of the Internet software, hardware, equipment and system on-line editing software installed or to be installed by Party B.
- 5.4 To provide Party B with the following information: investigation, analysis and assessment report of the trend, technology, expense and income of domestic, foreign and Party B's various Internet services (including special Internet services).
- 5.5 Party B may conduct inquiries or function consulting on specific technical problems with Party A's technical support department in the way of email, telephone and fax and etc. Party A's engineers will reply to the questions and assist the clients in resolving the problem.
- 5.6 In case of emergencies that Party B is unable to handle, Party A's engineers, upon consent by Party B, may conduct remote login to check the system status and resolve the problem.
- 5.7 Party A may, within its ability, satisfy the other technology consulting requirements raised by Party B.

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ADVERTISING INVENTORY SALE AGENCY AGREEMENT

SINA CORPORATION

and

LEJU HOLDINGS LIMITED

Dated as of March 7, 2014

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I <u>DEFINITIONS</u>	1
1.01 <u>Certain Defined Terms</u>	1
1.02 <u>Definitions</u>	4
1.03 <u>Interpretation and Rules of Construction</u>	6
ARTICLE II <u>ADVERTISING INVENTORY SALE AGENCY</u>	7
2.01 <u>Offsite Advertising Inventory Sale Agency</u>	7
2.02 <u>Sale Agency for Leju Channel Advertising Inventory</u>	9
2.03 <u>Sale of Derivative Real Estate Advertising</u>	10
2.04 <u>Scope of Authorization</u>	11
2.05 <u>No Partnership</u>	11
ARTICLE III <u>GIVEAWAY OF ADVERTISING INVENTORY</u>	12
3.01 <u>Principle</u>	12
3.02 <u>Giveaway Corresponding to Fixed Location Advertising Inventory</u>	12
3.03 <u>Giveaway Corresponding to Commercial Advertising Inventory</u>	13
ARTICLE IV <u>NON-SALABLE PROMOTION INVENTORY</u>	14
4.01 <u>Internal Advertising Inventory</u>	14
4.02 <u>Content Promotion Location</u>	15
4.03 <u>No Sale</u>	15
4.04 <u>No Carry-Over</u>	16
ARTICLE V <u>CALCULATION AND ADJUSTMENT OF LIST PRICE; ADJUSTMENT OF INVENTORY</u>	16
5.01 <u>Basic Principles</u>	16
5.02 <u>Annual Adjustment of the List Price of Fixed Location Advertising Inventory</u>	16
5.03 <u>Annual Adjustment of Fixed Location Advertising Inventory</u>	18
5.04 <u>Temporary Adjustment of Fixed Location Advertising Inventory</u>	18
5.05 <u>The List Price of Commercial Advertising</u>	19
5.06 <u>The List Price of Giveaway Advertising</u>	19
5.07 <u>The List Price of Internal Advertising Inventory</u>	19
5.08 <u>The Adjustment of Content Promotion Location</u>	19
ARTICLE VI <u>DISTRIBUTION AND PAYMENT OF ADVERTISING REVENUE</u>	19
6.01 <u>Basic Principles</u>	19
6.02 <u>Payment corresponding to Offsite Advertising Inventory</u>	20

II

6.03 <u>Payment corresponding to Advertising Inventory on Leju Channels</u>	21
6.04 <u>Payment corresponding to Derivative Real Estate Advertising Inventory</u>	22
6.05 <u>Payment under Section 2.01(g)</u>	23
6.06 <u>Payment under Section 2.02(b)</u>	23
6.07 <u>Payment Liabilities</u>	23
ARTICLE VII <u>ADVERTISING REVIEW; ACCESS TO INFORMATION; AUDIT</u>	23
7.01 <u>SINA's Advertising Review</u>	23
7.02 <u>Leju's Advertising Review</u>	24
7.03 <u>Access to Information</u>	24
7.04 <u>Audit</u>	24
ARTICLE VIII <u>REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION</u>	24
8.01 <u>Representations, Covenants and Warranties</u>	24
8.02 <u>Indemnification</u>	25
ARTICLE IX <u>EFFECTIVENESS; EXTENSION; TERMINATION</u>	25
9.01 <u>Effectiveness and Term</u>	25
9.02 <u>Termination</u>	25
9.03 <u>Consequence of Termination</u>	26

9.04	<u>Survival</u>	27
ARTICLE X GENERAL PROVISIONS		
10.01	<u>Confidentiality</u>	27
10.02	<u>Taxes</u>	28
10.03	<u>Expenses</u>	28
10.04	<u>Notices</u>	28
10.05	<u>Public Announcements</u>	29
10.06	<u>Severability</u>	29
10.07	<u>Entire Agreement</u>	29
10.08	<u>Assignment</u>	30
10.09	<u>No Third Party Beneficiaries</u>	30
10.10	<u>Amendment and Waiver</u>	30
10.11	<u>No Presumption</u>	30
10.12	<u>Governing Law</u>	30
10.13	<u>Dispute Resolution</u>	30
10.14	<u>Specific Performance</u>	31
10.15	<u>Force Majeure</u>	31
10.16	<u>Counterparts</u>	31
10.17	<u>Termination of the original Agency Agreement</u>	32

III

Schedule A:	<u>Types of Real Estate Advertising</u>
Schedule B:	<u>Location of Navigation Bar leading to Leju Channels at SINA Homepage</u>
Schedule C:	<u>SINA Approval Procedures and Rules</u>
Schedule D:	<u>Fixed Location Advertising Inventory</u>
Schedule E:	<u>Content Promotion Location</u>
Schedule F:	<u>Identified Websites</u>

IV

ADVERTISING INVENTORY SALE AGENCY AGREEMENT

This ADVERTISING INVENTORY SALE AGENCY AGREEMENT (this “Agreement”) is entered into on March 7, 2014 and effective upon the Effective Date (as defined below) by and between SINA CORPORATION, a corporation organized under the laws of Cayman Islands (“SINA”), and Leju Holdings Limited, a corporation organized under the laws of Cayman Islands (“Leju”; collectively with SINA, the “Parties”, and individually, the “Party”).

WHEREAS, SINA and China Online Housing Technology Corporation entered into a certain Real Estate Advertising Exclusive Sale Agency Agreement dated May 8, 2008 (the “Original Agency Agreement”) and an Amended and Restated Advertising Inventory Sale Agency Agreement dated August 31, 2009 (the “Previous Agency Agreement”);

WHEREAS, SINA and China Online Housing Technology Corporation desire to terminate Previous Agency Agreement, and SINA and Leju desire to enter into an Advertising Inventory Sale Agency Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual agreements and promises hereinafter set forth, and intending to be legally bound, SINA and Leju hereby agree as follows:

ARTICLE I

DEFINITIONS

1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Affiliate” means, when used with respect to any specified Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For the purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Advertising Inventory” means any space at Internet webpage which is divided based on display period and used for posting, placing and offering advertising information and content.

“Advertising Revenue” means the gross revenue directly earned from sale of advertising inventory as calculated in accordance with the U.S. GAAP, before excluding any bad debts and agent rebate.

“Business Day” means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by Law to be closed in the PRC.

“Competitor” means any Person mainly engaged in operating Internet portal website.

“Derivative Real Estate Advertising” means any advertising related to real estate, home furnishing and building materials, and construction services, provided (i) the end advertiser of such advertising is not real estate developer, seller, leaser or any other agent, or home furnishing and building materials producer, seller or any other agent, or construction services provider; or (ii) such advertising is not used directly to promote real estate, home furnishing and building materials, and construction services, or any brand or image thereof, including any bank mortgage lending. Any Derivative Real Estate Advertising is subject to mutual agreement of the Parties pursuant to Section 1.01 (c).

“Effective Date” means the date as of which this Agreement was entered into, that is, March 7, 2014.

“Government Authority” means any applicable legislative body, regulatory or administrative authority, agency or commission or any court, board, bureau, instrumentality, tribunal or judicial or arbitral body.

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

“Initial Public Offering” means the initial public offering of Leju securities in the United States, as well as the listing of Leju securities on stock exchanges in the United States.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Leju Channels” means (i) channels on websites specified in the Exhibit A to Amended and Restated Domain Name and Content License Agreement, as of the date of which the Agreement was entered into, between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd. and (ii) the website of “leju.com”; provided, however that in any event, Leju Channels shall not include any webpage linked to but outside Leju Channels (including any news page on SINA website).

2

The navigation bars for Leju Channels at SINA’s homepage are specified in the schedule B hereto.

“Leju Control Change” means any event that results in the failure to control more than 50 percent (50%) voting rights of Leju by E-House (China) Holdings Limited (including any of its controlled Affiliate).

“Leju Entity” means any and each entity controlled by Leju.

“List Price” means with respect to a specified advertising inventory, the standard price applicable to such inventory without discount, as provided and adjusted from time to time by the owner of such inventory.

“Non-Real Estate Advertising” means any advertising other than Real Estate Advertising and Derivative Real Estate Advertising.

“Person” means any individual, limited liability company, corporation, association, partnership, business trust, joint stock company, joint venture, trust, estate or other entity or organization of whatever nature.

“PRC” means the People’s Republic of China; for purpose of this Agreement, excludes Hong Kong, Macau and Taiwan.

“Real Estate Advertising” means the advertising used by (i) real estate developers, sellers, leasers or any other agents, (ii) home furnishing and building materials producers, sellers or any other agents, or (iii) construction services provider, each as end advertiser, to promote the products, services, brands and images set forth in Schedule A hereto, and any other advertising agreed by the Parties in writing. For avoidance of any doubt, Real Estate Advertising excludes Derivative Real Estate Advertising.

“RMB” means the lawful currency of the PRC.

“SINA Website” means the Internet website of sina.com.cn.

“SINA Wholly-owned Subsidiary” means such Person whose equity and control is wholly owned directly or indirectly by SINA, including such Person who is wholly controlled by SINA by contract, as well as any other Person whose equity is wholly owned by such Person.

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

3

“U.S. GAAP” means the accounting standards and practices consistently applied through the period, in effect from time to time and generally accepted in the U.S.

“E-House shareholding change” means any event that causes SINA (including any of its controlled Affiliate) to cease to hold 10% or more of the voting power of E-House (China) Holdings Limited.

1.02 Definitions. The following terms have the meanings set forth in the sections set forth below:

4

Definition	Location
“ <u>HKIAC</u> ”	10.13(b)
“ <u>HKIAC Rules</u> ”	10.13(b)

“UIP Change Rate”	5.02(a)
“UIP Data Notice”	5.02(a)
“Fixed Location Advertising Location”	5.02(a)
“Fixed Location Advertising Annual Cap”	2.01(c)(i)
“Fixed Location Advertising Inventory”	2.01(c)(i)
“Fixed Location Giveaway Advertising Inventory”	3.02(a)
“Confidential Information”	10.01
“MOU”	Recitals
“Indemnified Party”	8.02
“Initial Term”	9.01
“Excluded Advertising Inventory”	2.01(a)
“Agency Period”	2.01(b)
“Expiration Date”	9.01
“Share Purchase Agreement”	Recitals
“Recipient”	10.01
“CRIC”	Recitals
“Leju”	Preamble
“Leju Agent”	2.02(a)
“Leju Advertising Inventory Fee”	6.03(a)
“Leju Advertising Gross Revenue”	2.01(d)
“Leju Annual Advertising Revenue”	6.02(c)
“Leju Annual Revenue Notice”	6.02(c)
“Leju Channel Advertising Inventory”	2.01(d)
“Leju Approval Procedures and Rules”	2.02(a)
“Leju Derivative Real Estate Advertising Inventory Fee”	6.04(c)
“Leju Quarterly Payment”	6.02(b)
“Leju Quarterly Advertising Revenue”	6.02(b)
“Leju Quarterly Revenue Notice”	6.02(b)
“Internal Advertising Annual Cap”	4.01(a)(ii)
“Internal Advertising Inventory”	4.01(a)
“Content Promotion Location”	4.02(a)
“Indemnifying Party”	8.02
“Disclosing Party”	10.01
“Identified Brand”	4.03(b)
“Identified Website”	4.03(b)
“Commercial Advertising Inventory”	2.01(c)(i)
“Commercial Giveaway Advertising Inventory”	3.03(a)
“Parties” or “Party”	Preamble
“Agreement”	Preamble
“SINA”	Preamble
“SINA Agent”	2.01(a)
“SINA Advertising Inventory Fee”	6.02(a)
“SINA Approval Procedures and Rules”	2.01(a)
“SINA Derivative Real Estate Advertising Inventory Fee”	6.04(a)
“Holiday Giveaway Inventory”	3.02(b)(i)

Definition	Location
“Derivative Advertising Appicantee”	2.03(a)
“Derivative Advertising Applicant”	2.03(a)
“Webpage UIP Number”	5.02(a)
“Original Agency Agreement”	Recital
“Suspension Notice”	2.01(e)
“Dispute”	10.13(a)
“Offsite Advertising Inventory”	2.01(a)
“Offsite Inventory Cap”	2.01(d)
“Designated Giveaway Inventory”	3.02(b)(ii)
“Self-Selected Giveaway Inventory”	3.02(b)(iii)

1.03 Interpretation and Rules of Construction.

In this Agreement, unless the context otherwise requires:

- (a) when a reference is made in this Agreement to an Article, section or Schedule, such reference is to an Article or section of, or a Schedule to, this Agreement unless otherwise indicated;
- (b) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;
- (c) whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation”;
- (d) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(e) all terms defined in this Agreement have the defined meanings when used in any document made or delivered pursuant hereto, unless otherwise defined therein;

(f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms;

(g) any Law defined or referred to herein or in any agreement or instrument that is referred to herein means such Law as from time to time amended, modified or supplemented, including by succession of comparable successor Laws;

(h) references to a Person are also to its permitted successors and assigns;

6

(i) the use of “or” is not intended to be exclusive unless expressly indicated otherwise; and

(j) references to this “Agreement” include the Schedules hereto, and all amendments hereto made in accordance with the provisions of Section 10.10.

ARTICLE II

ADVERTISING INVENTORY SALE AGENCY

2.01 Offsite Advertising Inventory Sale Agency.

(a) Pursuant to the terms and conditions of this Agreement, SINA shall, and shall procure any SINA Affiliate operating SINA Website to, authorize Leju and any Leju Entity designated in writing by Leju from time to time (collectively, the “SINA Agent”), as the sole and exclusive agent of SINA for the Real Estate Advertising during the term hereof, subject to the procedures set forth in Schedule C of the advertising guidelines and inventory release guidelines of SINA (“SINA Approval Procedures and Rules”), to sell Advertising Inventory on SINA Website (“Offsite Advertising Inventory”) in connection with offering of Real Estate Advertising; provided, however, that Offsite Advertising Inventory shall not include (x) any Advertising Inventory on Leju Channels, and (y) any search Advertising Inventory on SINA Website (the foregoing Advertising Inventory under (y), “Excluded Advertising Inventory”). For avoidance of any doubt, during the term of this Agreement, neither SINA nor any SINA Affiliate operating SINA Website may directly or authorize any Person other than SINA Agent to sell any Offsite Advertising Inventory in connection with the offering of Real Estate Advertising. SINA shall have the right to amend the SINA Approval Procedures and Rules from time to time, *provided* that such amendment shall also be applicable to any other major advertising agent of SINA.

(b) The period commencing from the Effective Date and ending on the Expiration Date shall be divided into eleven (11) Agency Periods (“Agency Period”), of which the first Agency Period shall commence on the Effective Date and end on December 31, 2014; each of the second through the 10th Agency Period shall be equal to one calendar year (commencing on January 1 and ending on December 31 of such year) commencing on January 1, 2015; and the 11th Agency Period shall commence on January 1, 2024 and end on Expiration Date.

(c) During each Agency Period, SINA shall provide to SINA Agent Offsite Advertising Inventory, the total List Price of which shall be the sum of:

7

(i) the total List Price of Advertising Inventory at fixed locations provided by SINA to SINA Agent and marketable to end advertisers for one or more than one year (“Fixed Location Advertising Inventory”). The locations, numbers and List Price of the Fixed Location Advertising Inventory to be provided by SINA to SINA Agent are set forth in Schedule D (subject to adjustment pursuant to this Agreement). The total List Price of Fixed Location Advertising Inventory provided by SINA to SINA Agent during any Agency Period (“Fixed Location Advertising Annual Cap”) shall be equal to (a) the product of RMB nine hundred and eighty-two thousand (982,000) *multiplied* by the number of Business Days during such Agency Period, or (b) such amount as agreed upon by the Parties pursuant to Section 5.03 and/or Section 5.04(a)(ii); and

(ii) the total List Price of Advertising Inventory offered by SINA to SINA Agent other than Fixed Location Advertising, including banner advertising, button advertising and text linkage (“Commercial Advertising Inventory”). The location and display period in connection with the offering of Commercial Advertising Inventory shall be determined and adjusted from time to time upon agreement of the Parties subject to the SINA Approval Procedures and Rules.

(d) the total List Price of Offsite Advertising Inventory provided by SINA to SINA Agent in any Agency Period shall not exceed the product of the total Advertising Revenue earned by Leju and its Affiliates from the sale of Advertising Inventory at Leju Channels (“Leju Channel Advertising Inventory”) and Offsite Advertising Inventory in such Agency Period (“Leju Advertising Gross Revenue”) *multiplied* by N and further *multiplied* by four (4) (“Offsite Inventory Cap”), of which N represents thirty percent (30%) for each of the first two Agency Periods, twenty-five percent (25%) for each of the 3rd to 6th Agency Periods, and twenty percent (20%) for each of the 7th to 11th Agency Periods.

(e) Within ten (10) days upon the end of a full quarter during any Agency Period, if SINA reasonably determines based on the information to its knowledge and/or provided by SINA Agent that the total List Price of Offsite Advertising Inventory actually sold by SINA Agent during such quarter has been equal to or more than the amount of Leju Advertising Gross Revenue *multiplied* by four (4) and further *multiplied* by sixty percent (60%), SINA has the discretion to give a writing notice to Leju (“Suspension Notice”), describing such circumstance and stating the decision of SINA to suspend providing Commercial Advertising Inventory to SINA Agent during the remainder of such Agency Period. Upon receipt of Suspension Notice, SINA Agent shall immediately terminate its sale of any Commercial Advertising Inventory; *provided, however*, that Suspension Notice will not have effect on such Commercial Advertising Inventory the offering of which has been completed or scheduled, and for which SINA Agent has entered into binding advertising agreement with the advertiser or its agent. When SINA Agent

8

provides to SINA true information reasonably evidencing that the total List Price of Offsite Advertising Inventory actually sold by SINA Agent is less than the product of Leju Advertising Gross Revenue multiplied by four (4) and further multiplied by forty percent (40%), SINA shall restore its provision of Commercial Advertising Inventory to SINA Agent, upon which restoration the Suspension Notice given by SINA shall terminate automatically.

(f) If the total List Price of any Offsite Advertising actually sold by SINA Agent by December 31 of any Agency Period fails to reach the Offsite Inventory Cap for such Agency Period, the shortfall amount shall be automatically reset to zero at 24:00 of such 31st of December and not be carried over into the next Agency Period.

(g) Without prior written consent of SINA, SINA Agent may not sale Offsite Advertising Inventory, or use Offsite Advertising Inventory by way of advertising exchange with other Person, in connection with the offering of Non-Real Estate Advertising.

(h) Nothing in this Agreement shall be construed in any way to restrict SINA or any of its Affiliates from directly selling or authorizing any Person to sell the Excluded Advertising Inventory for the offering of any kind of advertising (including Real Estate Advertising, Derivative Real Estate Advertising and Non-Real Estate Advertising). Notwithstanding anything to the contrary herein, SINA and any of its Affiliates shall have the right to directly sell or authorize any Person to sell the Offsite Advertising Inventory for the offering of Non-Real Estate Advertising and Derivative Real Estate Advertising subject to the SINA Approval Procedures and Rules.

2.02 Sale Agency for Leju Channel Advertising Inventory.

(a) Pursuant to the terms and conditions of this Agreement, Leju shall, and shall procure any Leju Affiliate operating Leju Channels to, authorize SINA and any SINA Wholly-owned Subsidiary designated by SINA in writing from time to time (collectively, "Leju Agent") as the sole and exclusive agent of Leju and subject to the advertising procedures and inventory release guidelines to be formulated by Leju, if any, which is applicable to any other major advertising agent of Leju and consistent with the general practice of Internet advertising industry ("Leju Approval Procedures and Rules"), to sell any Advertising Inventory on Leju Channels ("Leju Channel Advertising Inventory") in connection with offering of Non-Real Estate Advertising during the term hereof. For avoidance of any doubt, during the term of this Agreement, neither Leju nor any Leju Affiliate operating Leju Channels may directly or authorize any Person other than Leju Agent to sell Leju Channel Advertising Inventory in connection with the offering of Non-Real Estate Advertising. Leju shall have the right to amend the Leju Approval Procedures and Rules from time to time, *provided* that such amendment shall

9

also be applicable to any other major advertising agent of Leju and consistent with the general practice of Internet advertising industry.

(b) Without prior written consent of Leju, Leju Agent may not sell Leju Channel Advertising Inventory, or use Leju Channel Advertising Inventory by way of advertising exchange with other Person, in connection with the offering of Real Estate Advertising.

(c) Nothing in this Agreement shall be construed in any way to restrict Leju or any of its Affiliates from directly selling or authorizing any Person to sell any Leju Channel Advertising Inventory in connection with the offering of Real Estate Advertising and Derivative Real Estate Advertising.

2.03 Sale of Derivative Real Estate Advertising.

(a) If any Party ("Derivative Advertising Applicant") intends to offer any Derivative Real Estate Advertising on the Advertising Inventory owned by the other Party ("Derivative Advertising Applicantee"), the Derivative Advertising Applicant, prior to its first offering of such Derivative Real Estate Advertising, shall give a writing notice to the Derivative Advertising Applicantee, setting forth the type of the advertiser and content of the Derivative Real Estate Advertising intended to offer. If the Derivative Advertising Applicantee in its reasonable judgment believes the advertising described in such notice is Derivative Real Estate Advertising, it shall give its consent to the Derivative Advertising Applicant in writing within three (3) days upon its receipt of such notice. No advertising shall be deemed as Derivative Real Estate Advertising unless and until agreement by the Parties in writing subject to the procedures of this Section 2.03(a).

(b) If any type of Derivative Real Estate Advertising has been mutually agreed by the Parties in writing according to the procedures set forth under Section 2.03(a) of this Agreement, each Party may offer any Derivative Real Estate Advertising under such type pursuant to Section 2.03(c) or (d) of this Agreement without regards to the approval procedures set forth under Section 2.03(a) of this Agreement; *provided*, however, that each Party may refuse to offer such particular advertising if such Party raises reasonable challenge as to whether such particular advertising is under the type of the Derivative Real Estate Advertising mutually agreed by the Parties in writing under Section 2.03(a) of this Agreement, until and unless such particular advertising is mutually agreed by the Parties in writing pursuant to Section 2.03(a) of this Agreement.

(c) During the term hereof, SINA shall, and shall procure any SINA Affiliate operating SINA Website to, authorize SINA Agent to sell, on non-sole and non-exclusive basis and subject to the SINA Approval Procedures and Rules, Advertising Inventory on SINA Website other than

10

Leju Channels in connection with the offering of Derivative Real Estate Advertising.

(d) During the term hereof, Leju shall, and shall procure any Leju Affiliate operating Leju Channels to, authorize Leju Agent to sell, on non-sole and non-exclusive basis and subject to the Leju Approval Procedures and Rules (if any), Advertising Inventory on Leju Channel Advertising Inventory in connection with the offering of Derivative Real Estate Advertising.

(e) Nothing in this Agreement shall be construed to restrict any Party from directly or authorizing any Person to sell any Advertising Inventory owned by such Party in connection with the offering of any type of Derivative Real Estate Advertising.

2.04 Scope of Authorization. Unless specifically authorized or provided under this Agreement, none of the Parties or their respective Affiliates shall have the authority to act as the agent for or on behalf of, or enter into any document legally binding upon, or incur any expense or disbursement upon, the other Party or its Affiliates. Unless specifically authorized or provided under this Agreement, nothing in this Agreement shall be deemed to require one Party to grant or license any intellectual property or any other technology to the other Party or its Affiliates.

2.05 No Partnership. Unless otherwise provided hereunder, nothing in this Agreement shall create any associations, partnership, joint venture or the relationship of principal and agent between the Parties, and the Parties shall be, with respect to each other, independent contractors and neither Party shall obligate the other in any way.

2.06 Review Mechanism. The Parties hereto agree to, depending on the performance of this Agreement, review the advertising resources, pricing policy, advertising display, recognized websites, implementation procedures and other variability factors contained in the Agreement herein at a fixed time annually.

2.07 SINA Revision. Based on consideration of the overall interests of the market and business needs, SINA entitled to occasional modification to its services, layout, page design and other adjustments; the Parties shall reach settlement, through negotiation, with respect to advertising resource adjustments, advertising display adjustments and List Price adjustments resulting from SINA website revision.

11

ARTICLE III

GIVEAWAY OF ADVERTISING INVENTORY

3.01 Principle. Except as provided under this Article 3 hereof, neither Party is obliged to provide giveaway Advertising Inventory to the other Party.

3.02 Giveaway Corresponding to Fixed Location Advertising Inventory.

(a) Corresponding to the Fixed Location Advertising Inventory provided by SINA to SINA Agent in any Agency Period, SINA shall provide SINA Agent giveaway Advertising Inventory as follows ("Fixed Location Giveaway Advertising Inventory"):

The Fixed Location Giveaway Advertising Inventory provided by SINA to SINA Agent during any Agency Period shall have a total List Price equal to the product of Fixed Location Advertising Annual Cap of such Agency Period multiplied by seventy percent (70%).

(b) Fixed Location Giveaway Advertising Inventory consists of:

(i) Fixed location Advertising provided on the days other than Business Days during an Agency Period ("Holiday Giveaway Inventory"); □

(ii) Subject to the Advertising Inventory giveaway policies made and amended from time to time by SINA, Advertising Inventory generally identified by SINA on such channels as digital, chat, picture, forum, mobile phone, books, foods, Shanghai, Guangdong, military, guests, cartoons, Q&A, weather and F1 ("Designated Giveaway Inventory"). The Designated Giveaway Inventory in an Agency Period shall have a total List Price equal to the product of the total List Price of Fixed Location Giveaway Advertising Inventory of such Agency Period *multiplied* by sixty percent (60%). SINA is entitled to make reasonable adjustment to the location and display period in connection with the offering of Designated Giveaway Inventory according to the Advertising Inventory giveaway policies made and changed from time to time by SINA; and;

(iii) Subject to the Advertising Inventory giveaway policies made and amended from time to time by SINA, such Advertising Inventory on SINA Website as agreed by the Parties ("Self-Selected Giveaway Inventory"). The Self-Selected Giveaway Inventory in an Agency Period shall have a total List Price equal to the balance of total

12

List Price of Fixed Location Giveaway Advertising Inventory *less* the total List Price of Holiday Giveaway Inventory, and further *less* the total List Price of Designated Giveaway Inventory, each in such Agency Period.

(c) If the total List Price of Fixed Location Giveaway Advertising actually used by SINA Agent by December 31 of any Agency Period fails to reach the total List Price of Fixed Location Giveaway Advertising Inventory provided by SINA to SINA Agent under Section 3.02(a) hereof for such Agency Period, the shortfall amount shall be automatically reset to zero at 24:00 of such 31st of December and not be carried over into the next Agency Period.

3.03 Giveaway Corresponding to Commercial Advertising Inventory.

(a) Corresponding to the Commercial Advertising Inventory provided by SINA to SINA Agent in any Agency Period, SINA shall provide SINA Agent giveaway Advertising Inventory as follows ("Commercial Giveaway Advertising Inventory"):

The Commercial Giveaway Advertising Inventory provided by SINA to SINA Agent during any Agency Period shall have a total List Price equal to the product of the total List Price of Commercial Advertising Inventory provided by SINA to SINA Agent during such Agency Period *multiplied* by zero point six nine (0.69) and further *multiplied* by one point five (1.5).

(b) The location and display period in connection with the offering of Commercial Giveaway Advertising Inventory will be determined and adjusted by SINA in accordance with the Advertising Inventory giveaway policies made and amended from time to time by SINA.

(c) If the total List Price of Commercial Giveaway Advertising actually used by SINA Agent by December 31st of any Agency Period fails to reach the total List Price of Commercial Giveaway Advertising Inventory provided by SINA to SINA Agent under Section 3.03(a) hereof for such Agency Period, the shortfall amount shall be automatically reset to zero at 24:00 of such 31st of December and not be carried over into the next Agency Period.

13

ARTICLE IV

NON-SALABLE PROMOTION INVENTORY

4.01 Internal Advertising Inventory.

(a) In each Agency Period, SINA shall provide the Advertising Inventory set forth below (“Internal Advertising Inventory”) to SINA Agent for the purposes provided under Section 4.03(b) of this Agreement:

For the first Agency Period, the total List Price of the Internal Advertising Inventory provided by SINA to SINA Agent shall be the amount of the total List Price of all Advertising Inventory on the SINA Website actually used for the promotion of SINA’s brand, products, services and images in the immediately preceding year, *multiplied* by three percent (3%), further *multiplied* by the number of calendar days in the first Agency Period, and *divided* by 365.

From and including the second Agency Period to and including the 11th Agency Period, the total List Price of the Internal Advertising Inventory provided by SINA to SINA Agent in each Agency Period shall be the following amount, whichever is lower:

(i) the total List Price of all Advertising Inventory on the SINA Website actually used for the promotion of SINA’s brand, products, services and images in the immediately preceding year *multiplied* by three percent (3%); ~~provided~~, for the 11th Agency Period, it shall be the total List Price of all Advertising Inventory on the SINA Website actually used for the promotion of SINA’s brand, products, services and images in the immediately preceding year *multiplied* by three percent (3%), further *multiplied* by the number of calendar days in the first or the 11th Agency Period, as applicable, then *divided* by 365; and

(ii) Internal Advertising Annual Cap (“Internal Advertising Annual Cap”), which shall be: for the second Agency Period, an amount equal to the total List Price of the Offsite Advertising Inventory actually sold to clients by SINA Agents in the immediately preceding Agency Period *multiplied* by 365, then *divided* by the number of calendar days in such immediately preceding Agency Period; for each of the Agency Period from and including the third Agency Period to and including the 10th Agency Period, an amount equal to the total List Price of the Offsite Advertising Inventory actually sold to clients by SINA Agents in the immediately preceding Agency Period; and for the 11th Agency Period, an amount equal to the total List Price of the Offsite Advertising Inventory actually sold to clients by SINA Agents in the immediately preceding Agency Period *multiplied* by the number of calendar days in the 11th Agency Period, then *divided* by 365.

(b) Upon Leju’s request and subject to SINA’s consent, SINA may provide additional Internal Advertising Inventory to SINA Agent for the purposes provided under Section 4.03(b) in this Agreement.

14

4.02 Content Promotion Location.

(a) Within the term of this Agreement, SINA shall provide the Content Promotion Location set forth in Schedule E of this Agreement (“Content Promotion Location”) to SINA Agent for the purposes provided under Section 4.03(b) in this Agreement.

(b) Leju shall, and shall cause SINA Agent to, examine and censor any content published on any Content Promotion Location. Similarly, SINA shall have the right to examine and censor any content published by SINA Agent on any Content Promotion Location. Leju shall, and shall cause SINA Agent to, remove any offending content including, but not limited to, any illegal materials, pornographic, obscene or sexually explicit materials, materials of a violent nature, or politically sensitive materials, as soon as possible after it becomes aware of such offending content but in no event later than the timeframe prescribed by the Governmental Authority after receipt of oral or written notice from SINA or such Governmental Authority. Any SINA Agent’s failure to comply with this Section 4.02(b) shall be deemed a material breach of this Agreement by Leju. Without limiting the foregoing obligations, Leju acknowledges that SINA shall have the right to remove such offending content from the Content Promotion Location.

(c) In the event SINA receives notice from any Governmental Authority that the Content Promotion Location contain any offending Content where (i) the basis or nature of such offense has not previously been identified by any Governmental Authority as offensive or inappropriate and (ii) SINA Agent has not also received notice from such Governmental Authority, SINA shall promptly notify Leju of SINA’s receipt thereof. Leju shall, and shall cause SINA Agent to, then use best efforts to remove such content as soon as possible in accordance with the instructions of such Governmental Authority. Notwithstanding the foregoing or anything in Section 8.02 to the contrary, in the event SINA fails to notify Leju of SINA’s receipt of such notice from a Governmental Authority, such that SINA Agent does not have sufficient time to remove such offending content, SINA Agent shall not be liable for any fines or penalties imposed by a Governmental Authority in connection with such offending content.

4.03 No Sale.

(a) Without SINA’s prior written consent, SINA Agent shall not sell, assign, exchange, lease, license or transfer the Internal Advertising Inventory and/or Content Promotion Location in other manners.

(b) Internal Advertising Inventory and Content Promotion Location shall only be used for (i) the promotion of the websites under the name of Leju and any Leju Entity, and brands, images, products and services of Leju and

any Leju Entity (“Identified Brand”), (ii) the setup of external links connecting to the websites set forth in Schedule F of this Agreement (“Identified Website”), and (iii) the publishing of real estate related ranking list prepared by CRIC or any of its Affiliate. For avoidance of doubt, without SINA’s prior written consent, SINA Agent may not promote, publish, post, display or imply any of “□□□”, “CRIC” or similar brand, identification, trademark, trade name, image, graph, character, typeface, symbol and information on the Internal Advertising Inventory and/or Content Promotion Location, shall not set up any external links connecting to any website, domain name or webpage other than Identified Website on the Internal Advertising Inventory and/or Content Promotion Location, and shall not promote or publish any brand, image, product and service other than Identified Brand, with exception of the real estate related ranking list prepared by CRIC and any of its Affiliate.

4.04 No Carry-Over. As of December 31 of any Agency Period, if SINA Agent fails to actually use all Internal Advertising Inventory and Content Promotion Location provided by SINA pursuant Section 4.01 and Section 4.02 of this Agreement in such Agency Period, such unused parts will be reset automatically on 24:00 of such 31st of December and shall not be carried over to the next Agency Period by any means.

ARTICLE V

CALCULATION AND ADJUSTMENT OF LIST PRICE; ADJUSTMENT OF INVENTORY

5.01 Basic Principles. Any adjustment to the List Price of Advertising Inventory pursuant to this Agreement shall not apply to the Advertising Inventory with respect to which any SINA Agent has completed advertising, fixed the advertising schedule and entered into legally binding advertising agreement with corresponding advertiser or its agent pursuant to this Agreement at the time of such adjustment.

5.02 Annual Adjustment of the List Price of Fixed Location Advertising Inventory. Without affecting the Fixed Location Advertising Annual Cap, starting from Effective Date, Parties shall adjust the List Price of Fixed Location Advertising Inventory on November 15 of each Agency Period pursuant to the following provisions:

(a) Prior to November 5th of each Agency Period, SINA shall send a written notice (“UIP Data Notice”) to Leju specifying the number calculated by SINA based upon its daily monitoring data for (i) the unique IP address visits (“UIP”) to the webpage/channel where each Fixed Location Advertising Inventory is located (“Fixed Location Advertising Location”) from January 1st to October 31st of such Agency Period (“Webpage UIP Number”), and (ii) the change of the Webpage UIP Number for each Fixed Location Advertising Location of such Agency Period from the immediately preceding Agency Period, calculated according to following formula and expressed in percentage (“UIP Change Rate”): $UIP\ Change\ Rate = (CR - PR) \div PR \times 100\%$, where:

CR represents the Webpage UIP Number of such Fixed Location Advertising Location in such Agency Period; and

PR represents the Webpage UIP Number of such Fixed Location Advertising Location in the immediately preceding Agency Period.

(b) Prior to November 15th, the Parties shall adjust the List Price of each Fixed Location Advertising Location in written pursuant to the following provisions:

(i) With respect to Fixed Location Advertising Location, if the UIP Change Rate of such Agency Period is zero (0), the List Price applicable to such Fixed Location Advertising Location for the next Agency Period will remain unchanged;

(ii) With respect to Fixed Location Advertising Location, if the UIP Change Rate of such Agency Period is not equal to zero (0), the List Price applicable to such Fixed Location Advertising Location for the next Agency Period will be an amount equal to the List Price of such Fixed Location Advertising Location in such Agency Period *multiplied* by (1+R), of which R represents the UIP Change Rate of such Fixed Location Advertising Location in such Agency Period, expressed in percentage; provided, if the UIP Change Rate exceeds positive fifteen percent (+15%), R shall be positive fifteen percent (+15%); if the UIP Change Rate is less than negative fifteen percent (-15%), R shall be negative fifteen percent (-15%).

(iii) If the total amount of the List Price of all Fixed Location Advertising Location after the forgoing adjustment exceeds the Fixed Location Advertising Annual Cap, SINA shall have the right to remove appropriate amount of Fixed Location Advertising Location from the list of the Fixed Location Advertising Location of such Agency Period, and treat the rest Fixed Location Advertising Inventory as the Fixed Location Advertising Inventory provided by SINA to SINA Agents for the next Agency Period, so that the total amount of the List Price of the Fixed Location Advertising Inventory provided by SINA to SINA Agents for the next Agency Period shall be equal to the Fixed Location Advertising Annual Cap. Without prejudice to the rights of SINA to remove Fixed Location Advertising Location under this Section 5.02(b)(iii) and subject to compliance with Section 2.01 of this Agreement, the Parties shall negotiate to agree upon the specific location and/or number of Fixed Location Advertising Location to be removed.

(iv) If the total List Price of all Fixed Location Advertising Location after the forgoing adjustment is lower than the Fixed Location Advertising Annual Cap, Leju will be entitled to request SINA to

provide more Fixed Location Advertising Location, as appropriate, in addition to these Fixed Location Advertising Locations set forth in the list of Fixed Location Advertising Location for such Agency Period. Such additional Fixed Location Advertising Location and the Fixed Location Advertising Location of such Agency Period shall be collectively constitute the Fixed Location Advertising

Location of such Agency Period provided by SINA to SINA Agents for the next Agency Period, so as to ensure the total List Price of the Fixed Location Advertising Inventory provided by SINA to SINA Agents for the next Agency Period be equal to the Fixed Location Advertising Annual Cap. Without prejudice to the rights of Leju to request additional Fixed Location Advertising Location under this Section 5.02(b)(iv) and subject to compliance with Section 2.01 of this Agreement, the Parties shall negotiate to agree on the specific advertising location and/or numbers of such increased Fixed Location Advertising Location. The List Price of such increased Fixed Location Advertising Location shall be determined pursuant to Section 5.04(b).

5.03 Annual Adjustment of Fixed Location Advertising Inventory. Leju shall provide to SINA a written report on or before the 15th day of November in each Agency Period during the term of this Agreement, setting forth the total List Price (which amount may be equal to, larger, or lower than the Fixed Location Annual Cap of such Agency Period), locations and numbers of the Fixed Location Advertising Inventory that SINA Agent plans to sell in the immediately next Agency Period. Upon receipt of such written report, the Parties shall negotiate the items listed therein in good faith and reach agreement in writing no later than the 15th day of January in the immediately next Agency Period. The Fixed Location Annual Cap, and locations and numbers of Fixed Location Advertising Inventory available in the immediately next Agency Period shall be those as agreed by the Parties in writing.

5.04 Temporary Adjustment of Fixed Location Advertising Inventory.

(a) Except for any adjustment set forth in Section 5.02 and Section 5.03, if any Party of this Agreement intends to (i) change the location of the Fixed Location Advertising Inventory or replace the former Fixed Location Advertising Inventory with new Fixed Location Advertising Inventory, in each case without affecting Fixed Location Annual Cap, or (ii) increase or reduce Fixed Location Advertising Inventory, such Party shall deliver a written notice to the other Party sixty (60) days in advance, which specifies the detailed proposal of the change of Fixed Location Advertising Inventory and the effective time of such change. Upon receipt of such written notice by the other Party, the Parties shall negotiate to agree on the plan of the change of Fixed Location Advertising Inventory and conclude such agreement in writing.

(b) With respect to any increased Fixed Location Advertising Location pursuant to Section 5.02, Section 5.03 and 5.04(a), its List Price shall be calculated in accordance with the following methods:

(i) If the increased Fixed Location Advertising Location has not been sold, its List Price shall be mutually agreed by Parties;

18

(ii) If the increased Fixed Location Advertising Location has been actually sold, its List Price shall be equal to the List Price fixed and announced by SINA according to its uniform price policy at that time.

5.05 The List Price of Commercial Advertising. SINA shall have the right to adjust the List Price of Commercial Advertising Inventory according to its uniform price policy from time to time.

5.06 The List Price of Giveaway Advertising. SINA shall have the right to adjust the List Prices of Fixed Location Giveaway Advertising Inventory and Commercial Giveaway Advertising Inventory according to its uniform price policy and giveaway policy of Advertising Inventory from time to time.

5.07 The List Price of Internal Advertising Inventory. SINA shall have the right to adjust the List Prices of Internal Advertising Inventory according to its uniform price policy from time to time.

5.08 The Adjustment of Content Promotion Location. Under the following circumstances, the Party proposing the change of Content Promotion Location shall notify the other Party in written and at least sixty (60) days in advance of the proposal and time of the change. Upon the receiving of such written notice by the other Party, Parties shall negotiate to resolve the issue of change of Content Promotion Location:

- (i) SINA needs to modify the webpage where the Content Promotion Location locates;
- (ii) Leju need to increase Content Promotion Location or relocate the existing Content Promotion Location; or
- (iii) Other circumstances mutually agreed by Parties.

ARTICLE VI

DISTRIBUTION AND PAYMENT OF ADVERTISING REVENUE

6.01 Basic Principles. Unless expressly agreed in this Agreement or by Parties otherwise, either Party shall have no right to collect, share or claim any Advertising Revenue, agency commission, sales commission or charges in other manners from the other Party, or request the other Party to bear any costs and expenses.

19

6.02 Payment corresponding to Offsite Advertising Inventory.

(a) As the consideration for the Advertising Inventory provided and the sales agency of Advertising Inventory granted by SINA to SINA Agents for each Agency Period pursuant to Section 2.01, Article 3 and Article 4 of this Agreement, SINA shall have the right to collect the following charges ("SINA Advertising Inventory Fee") from SINA Agents:

(i) If the total List Price of Offsite Advertising Inventory actually sold by SINA Agents in such Agency Period does not exceed Offsite Inventory Cap, the SINA Advertising Inventory Fee of such Agency Period shall be the product of the total List Price of Offsite Advertising Inventory actually sold by SINA Agents in such Agency Period *multiplied* by twenty-five percent (25%), further *multiplied* by fifteen percent (15%).

(ii) If the total List Price of Offsite Advertising Inventory actually sold by SINA Agents in such Agency Period exceeds Offsite Inventory Cap of such Agency Period, the SINA Advertising Inventory Fee of such Agency Period shall be the sum of (i) the product of the Offsite Inventory Cap of such Agency Period *multiplied* by twenty-five percent (25%) and further *multiplied* by fifteen percent (15%), plus (ii) the amount calculated in accordance with the following formula:

$(LR - M) \times 25\% \times 85\%$, of which: LR represents the total List Price of Offsite Advertising Inventory actually sold by SINA Agents in such Agency Period, and M represents the Offsite Inventory Cap of such Agency Period.

(b) Within thirty (30) Business Days following the end of each calendar quarter, Leju shall submit a written notice ("Leju Quarterly Revenue Notice") to SINA, truly presenting (i) the total amount of the List Price of Offsite Advertising Inventory actually sold by SINA Agents; and (ii) the Advertising Revenue generated from the Offsite Advertising Inventory actually sold by SINA Agents and the Advertising Revenue generated from the Advertising Inventory on Leju Channels actually sold by Leju and its Affiliate (collectively, "Leju Quarterly Advertising Revenue"). Simultaneously with the submission of Leju Quarterly Revenue Notice to SINA, Leju shall, and shall cause each SINA Agent to, pay the charge calculated on the following method to the bank account designated by SINA ("Leju Quarterly Payment"):

20

Leju Quarterly Payment shall be an amount equal to the product of total List Price of Offsite Advertising Inventory actually sold by SINA Agents in such quarter *multiplied* by twenty five percent (25%) and further *multiplied* by fifteen percent (15%).

SINA shall issue invoices to SINA Agents within three (3) Business Days upon receiving the Leju Quarterly Payment.

(c) Within thirty (30) Business Days following the end of each Agency Period, Leju shall submit a written notice ("Leju Annual Revenue Notice") to SINA, which truly reveals in such Agency Period (i) the total amount of the List Price of Offsite Advertising Inventory actually sold by SINA Agents; and (ii) the Advertising Revenue generated from the Offsite Advertising Inventory actually sold by SINA Agents and the Advertising Revenue generated from the Advertising Inventory on Leju Channels actually sold by Leju and its Affiliate (collectively, "Leju Annual Advertising Revenue"). If the aggregate amount of each Leju Quarterly Payment paid by Leju to SINA in such Agency Period is lower than the SINA Advertising Inventory Fee payable by SINA Agent to SINA pursuant to Section 6.02(a) of this Agreement, Leju shall, and shall cause each SINA Agent to, pay the shortfall amount therefrom to a bank account designated by SINA simultaneously with submission of the Leju Annual Revenue Notice to SINA. SINA shall issue invoice to Leju within three (3) Business Days upon its receipt of such shortfall amount. If the aggregate amount of each Leju Quarterly Payment paid by Leju to SINA in such Agency Period is higher than the SINA Advertising Inventory Fee payable by SINA Agent to SINA pursuant to Section 6.02(a) of this Agreement, SINA shall pay the excess amount therefrom to a bank account designated by Leju within three (3) Business Days upon its receipt of Leju Annual Revenue Notice submitted by Leju. SINA and Leju shall jointly make invoice adjustment in accordance with applicable financial regulations within three (3) Business Days upon receipt of such excess amount by Leju, so as to make the invoiced amount consistent with the amount actual paid by SINA Agents.

6.03 Payment corresponding to Advertising Inventory on Leju Channels.

(a) As the consideration for the Advertising Inventory provided and the sales agency of Advertising Inventory granted by Leju to Leju Agents pursuant to Section 2.02, Leju shall have the right to collect the following charges ("Leju Advertising Inventory Fee") from Leju Agent:

Leju Advertising Inventory Fee shall be an amount equal to the product of the Advertising Revenue generated from the sale of Advertising Inventory on Leju Channels by Leju Agents *multiplied* by eighty-five percent (85%).

(b) Within thirty (30) Business Days following the end of each calendar quarter, SINA shall submit a written notice to Leju, truly presenting

21

the Advertising Revenue generated from the sale of Advertising Inventory on Leju Channels by Leju Agents during such quarter. Simultaneously with such submission, SINA shall, and shall cause each Leju Agent to, pay the Leju Advertising Inventory Fee calculated pursuant to Section 6.03(a) of this Agreement to a bank account designated by Leju. Leju shall issue invoice to Leju Agents within three (3) Business Days upon its receipt of the Leju Advertising Inventory Fee.

6.04 Payment corresponding to Derivative Real Estate Advertising Inventory.

(a) As the consideration for the Advertising Inventory provided and the sales agency of Advertising Inventory granted by SINA to SINA Agents pursuant to Section 2.03(c), SINA shall have the right to collect the following charges ("SINA Derivative Real Estate Advertising Inventory Fee") from SINA Agents:

SINA Derivative Real Estate Advertising Inventory Fee is equal to eighty-five percent (85%) of the Advertising Revenue generated from the Advertising Inventory on the SINA Website but other than Leju Channels sold by SINA Agents pursuant to Section 2.03(c) of this Agreement.

(b) Within thirty (30) Business Days following the end of each calendar quarter, Leju shall submit a written notice to SINA, truly presenting the Advertising Revenue generated from the sale of Advertising Inventory on the SINA Website (other than Leju Channels) during such quarter by SINA Agent pursuant to Section 2.03(c) of this Agreement. Simultaneously with such submission, Leju shall, and shall cause each SINA Agent to, pay SINA Derivative Real Estate Advertising Inventory Fee calculated pursuant to Section 6.04(a) to a bank account designated by SINA. SINA shall issue invoice to SINA Agents within three (3) Business Days upon its receipt of SINA Derivative Real Estate Advertising Inventory Fee.

(c) As the consideration for the Advertising Inventory provided and the sales agency of Advertising Inventory granted by Leju to Leju Agents pursuant to Section 2.03(d), Leju shall have the right to collect the following charges ("Leju Derivative Real Estate Advertising Inventory Fee") from SINA:

Leju Derivative Real Estate Advertising Inventory Fee is equal to eighty-five percent (85%) of the Advertising Revenue generated from the Advertising Inventory on Leju Channels sold by Leju Agents pursuant to Section 2.03(d) of this Agreement.

(d) Within thirty (30) Business Days following the end of each calendar quarter, SINA shall submit a written notice to Leju, truly presenting the Advertising Revenue generated from the sale of Advertising Inventory on

22

Leju Channels during such period by Leju Agents pursuant to Section 2.03(d) of this Agreement. Simultaneously with such submission, SINA shall, and shall cause each Leju Agent to, pay Leju Derivative Real Estate Advertising Inventory Fee calculated pursuant to Section 6.04(c) to a bank account designated by Leju. Leju shall issue invoice to Leju Agents within three (3) Business Days upon its receipt of the Leju Derivative Real Estate Advertising Inventory Fee.

6.05 Payment under Section 2.01(g). For any Advertising Inventory sold by SINA Agents in violation of Section 2.01(g) of this Agreement, SINA shall have the right to collect entire Advertising Revenue from SINA Agents.

6.06 Payment under Section 2.02(b). For any Advertising Inventory sold by Leju Agents in violation of Section 2.02(b) of this Agreement, Leju shall have the right to collect entire Advertising Revenue from Leju Agents.

6.07 Payment Liabilities.

(a) For any payment made by SINA Agents to SINA pursuant to this Article 6, Leju shall assume irrevocable joint and several liability to SINA.

(b) For any payment payable by Leju Agent to Leju pursuant to this Article 6, SINA shall assume irrevocable joint and several liability to Leju.

ARTICLE VII

ADVERTISING REVIEW; ACCESS TO INFORMATION; AUDIT

7.01 SINA's Advertising Review.

(a) Subject to prior review of SINA, SINA Agent may offer any advertising in compliance with SINA Approval Procedures and Rules on any SINA Advertising Inventory, including Internal Advertising Inventory, that may be sold and used by SINA Agent under this Agreement.

(b) SINA shall have refusal right to place and release an advertising if such advertising is deemed to be against to Section 2.01(g) and/or Section 4.03(b) of this Agreement after SINA's review of such advertising submitted by SINA Agent pursuant to Section 7.01(a) of this Agreement. And SINA shall have right to immediately terminate the release and remove such advertising if SINA finds that any advertising placed by

23

SINA Agent is against to Section 2.01(g) and/or Section 4.03(b) of this Agreement.

7.02 Leju's Advertising Review.

(a) Subject to reasonable prior review of Leju, Leju Agent may offer any advertising in compliance with Leju Approval Procedures and Rules on any Leju Advertising Inventory that may be sold by Leju Agent under this Agreement.

(b) Leju shall have refusal right to place and release an advertising if such advertising is deemed to be against to Section 2.02(b) of this Agreement after Leju's review of such advertising submitted by Leju Agent pursuant to Section 7.02(a) of this Agreement. And Leju shall have right to immediately terminate the release and remove such advertising if Leju finds that any advertising placed by Leju Agent is against to Section 2.02(b) of this Agreement.

7.03 Access to Information. From the date hereof until six months after the expiration of this Agreement, upon reasonable notice, each Party shall cause its officers, directors, employees, agents, representatives, accountants and counsel to: (i) afford the officers, employees, agents, accountants, counsel and representatives of the other Party reasonable access, during normal business hours, to the books and records of such Party and (ii) furnish to the officers, employees, agents, accountants, counsel and representatives of the other Party such additional financial and operating data and other information (or legible copies thereof) as the other Party may from time to time reasonably request.

7.04 Audit. In order to verify the accuracy of any written notice or report (including but not limited to Leju Quarterly Revenue Notice and Leju Annual Revenue Notice, but excluding any written notice issued by any Party pursuant to Section 9.02 of this Agreement) issued by the other Party, each Party may, within six months upon its receipt of such notice or report, retain an external auditor (which auditor shall be qualified under U.S. GAAP) to audit the books and records of the other Party. Any such audit may be conducted only with reasonable notice, during the normal business hours of the Party under audit, and at the sole cost and expense of the auditing Party.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

8.01 Representations, Covenants and Warranties.

- (a) Each Party represents and warrants to the other Party that (i) it has the requisite corporate power and authority to execute and deliver this

Agreement and to perform its obligations hereunder; (ii) the execution, delivery and performance of this Agreement by it and the consummation by it of the transactions contemplated hereby are in compliance with its registered business scope, have been duly authorized and approved by all necessary board and shareholder action, and will not conflict with any Law or Governmental Order applicable to it or result in the breach of or require any consent under, contract, agreements or other legal documents that have binding effect on it; and (iii) it is not subject to any bankruptcy or insolvency proceedings.

(b) Each Party acknowledges and undertakes to perform this Agreement in accordance with PRC and any other applicable Law, including without limitation designating any of its duly qualified Affiliate to exercise its rights and perform its obligations under this Agreement, and cause their respective Affiliates de facto performing this Agreement to enter into further agreement, in each case to comply with applicable requirement under PRC Law. For avoidance of doubt, each Party is liable to perform any of its obligations under this Agreement if any of its Affiliate fails to do so.

8.02 Indemnification. Each Party agrees to defend, indemnify and hold the other Party and its Affiliates, directors, officers, employees, and agents harmless from all claims, demands, suits, causes of action, losses, damages, judgments, costs and expenses (including reasonable attorneys' fees and arbitration fees) from and against any and all direct losses and foreseeable indirect losses suffered or incurred by them arising out of or resulting from any breach of such Party of any provision of this Agreement.

ARTICLE IX

EFFECTIVENESS; EXTENSION; TERMINATION

9.01 Effectiveness and Term. The term of this Agreement (the "Initial Term") shall be ten (10) years commencing from the date of this Agreement. Within twelve months before expiration date (the "Expiration Date") of the Initial Term, Parties shall endeavor to negotiate the extension of this Agreement.

9.02 Termination.

(a) This Agreement may be terminated by unanimous consent of SINA and Leju.

(b) If a Party to this Agreement is unable to pay its matured debt, bankruptcy or entering into bankruptcy or liquidation procedure and such bankruptcy or liquidation procedure has not been cancelled within seven (7) days, the other Party may terminate this Agreement.

(c) SINA may terminate this Agreement by providing prior written notice to Leju upon:

- (i) Occurrence of Leju Control Change without prior SINA's written consent;
- (ii) Occurrence of E-House shareholding Change; or

(iii) The material default or breach by Leju or its any affiliate of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that Leju has in good faith commenced cure within such thirty (30) day period, but cannot practically cure such default or breach within such thirty (30) day period, the Parties shall negotiate a reasonable additional period (not more than sixty (60) days) to cure. The Parties hereby agree and acknowledge that if SINA Agent sells or provides any Advertising Inventory against Section 2.01(g) and/or Section 4.03(b) of this Agreement and advertising revenue, which is caused by such activity in any calendar quarter, is five percent (5%) more than Leju Advertising Revenue of such quarter, and such event shall be deemed one of the events that constitute a material breach of this Agreement by Leju.

(d) Leju may issue a written notice to SINA to terminate this Agreement upon:

(i) The material default or breach by SINA or its any affiliate of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that SINA has in good faith commenced cure within such thirty (30) day period, but cannot practically cure such default or breach within such thirty (30) day period, the Parties shall negotiate a reasonable additional period (not more than sixty (60) days) to cure. The Parties hereby agree and acknowledge that if Leju Agent sells or provides any Advertising Inventory against Section 2.02(b) of this Agreement and advertising revenue, which is caused by such activity in any calendar quarter, is five percent (5%) more than Leju Advertising Revenue of such quarter, and such event shall be deemed one of the events that constitute a material breach of this Agreement by SINA.

9.03 Consequence of Termination. Upon the termination of this Agreement:

(a) all rights or interest granted to SINA Agents or Leju Agents, as the case may be, shall immediately terminated;

(b) SINA Agent shall immediately cease agency sale of any Advertising Inventory (including Giveaway Advertising Inventory) that is provided by SINA pursuant to this Agreement; and cease to utilize any Internal Advertising Inventory or Content Promotion Location that is provided by any SINA pursuant to this Agreement;

(c) Leju Agent shall immediately cease agency sale of any Advertising Inventory that is provided by Leju pursuant to this Agreement; and

Any amounts owing from one Party to the other Party shall be paid within 10 Business Days after the termination of this Agreement.

9.04 Survival. The duties and obligations of the Parties under Section 8.02, Section 9.03 and Article 10 shall survive any termination or expiration of this Agreement.

ARTICLE X

GENERAL PROVISIONS

10.01 Confidentiality. In performing its obligations under this Agreement, either Party (the "Recipient") may obtain certain confidential information ("Confidential Information") of the other Party (the "Disclosing Party"). For purposes of this Agreement, "Confidential Information" shall mean information, documents and other tangible things, provided by either Party to the other, in whatever form, relating to such Party's business and marketing, including such Party's financial information, personal information, customer lists, service plans and marketing plans, whether alone or in its compiled form and whether marked as confidential or not. The Recipient shall maintain in confidence all Confidential Information and shall not disclose such Confidential Information to any third party without the express written consent of the other Party except to those of its employees, subcontractors, consultants, representatives and agents as are necessary in connection with activities as contemplated by this Agreement. In maintaining the confidentiality of Confidential Information, the Recipient shall exercise the same degree of care that it exercises with its own confidential information, and in no event less than a reasonable degree of care. The Recipient shall ensure that each of its employees, subcontractors, consultants, representatives and agents holds in confidence and makes no use of the Confidential Information for any purpose other than those permitted under this Agreement or otherwise required by law. Upon request by the other Party, the Recipient shall return, destroy or otherwise handle as instructed by the other Party, any documents or software containing such Confidential Information, and shall not continue to use such Confidential Information. The obligation of confidentiality contained in this Section 10.01 shall not apply to the extent that (a) the Recipient is required to disclose information by order or regulation of a Governmental Authority or a court of competent jurisdiction; provided, however, that the Recipient shall not

27

make any such disclosure without first notifying the other Party and allowing the other Party a reasonable opportunity to seek injunctive relief from (or a protective order with respect to) the obligation to make such disclosure; or (b) the Recipient can demonstrate that (i) the disclosed information was at the time of such disclosure to the Recipient already in (or thereafter enters) the public domain other than as a result of actions of the Recipient, its directors, officers, employees or agents in violation hereof, (ii) the disclosed information was rightfully known to the Recipient prior to the date of disclosure, or (iii) the disclosed information was received by the Recipient on an unrestricted basis from a source unrelated to any Party and not under a duty of confidentiality to the other Party.

10.02 Taxes. Each Party shall be responsible for taxes that should be born by its in accordance with applicable Law. If any Party pays any taxes that should have been born by the other Party in accordance with Law, such other Party shall reimburse such Party within seven (7) days after its receipt of documentation evidencing such tax payment so incurred by such Party.

10.03 Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including but not limited to the fees and disbursements of legal counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated in this Agreement shall be paid by the Party incurring such costs and expenses.

10.04 Notices. All notices, requests, demands, claims and other communications required or permitted to be delivered, given or otherwise provided under this Agreement must be in writing and must be delivered, given or otherwise provided

(a) by hand (in which case, it shall be effective upon delivery);

(b) by telecopy with confirmation by overnight delivery as provided in clause (c) below (in which case, it shall be effective upon receipt of confirmation of good transmission); or

(c) by overnight delivery by a internationally recognized courier service (in which case, it shall be effective on the second (2nd) business day after being deposited with such courier service);

in each case to the address (or telecopy number) listed below:

if to SINA:

SINA Corporation
20/F Beijing Ideal International Plaza
No. 58 Northwest 4th Ring Road
Haidian District, Beijing, 100090
People's Republic of China
Facsimile: +86 10 8260 7166

28

Attention: Head of Legal Department (Gu Haiyan)

if to Leju:

Leju Holdings Limited
15/Floor, Shoudong International Plaza
No. 5 Building, Guangqu Home
Dongcheng District, Beijing, 100022
People's Republic of China
Facsimile: +86 10 5895 1000
Attention: Chief Executive Officer

Copy to (which shall not constitute any notice):

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower, The Landmark
12 Queen's Road Central, Hong Kong
Facsimile: +852 3740 4727
Attention: Jonathan B. Stone, Esq. and Z. Julie Gao, Esq.

Each Party shall be entitled to specify a different address by giving notice as aforesaid to the other Party.

10.05 Public Announcements. No Party hereto shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated hereby or thereby or otherwise communicate with any news media without the prior written consent of the other Party, and the Parties shall cooperate as to the timing and contents of any such press release or public announcement. Notwithstanding the foregoing, where an announcement is required by Law, the Party required to make such an announcement shall notify the other Party of such (and provide a copy of such to the other Party) as soon as practicable in advance of such announcement and, to the extent practical, take the views of the other Party in respect of such announcement into account prior to making such announcement.

10.06 Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of Law, or public policy, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

10.07 Entire Agreement. This Agreement constitutes the entire agreement of the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto, including Original Agency Agreement and Previous Agency Agreement.

29

10.08 Assignment. This Agreement and any rights or authority granted hereunder shall not be assigned or transferred by either Party, including by operation of law, merger or otherwise, without the express written consent of the other Party; Nevertheless, either Party may assign or transfer this Agreement and any rights or authority granted under this Agreement to the Person who holds all shares directly or indirectly and has the controlling power (including the Person who is wholly controlled through the contractual arrangement) without the consent of the other Party.

10.09 No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their permitted assigns and successors and each of Leju Entity, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

10.10 Amendment and Waiver. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by all Parties hereto, and any provision of this Agreement may be waived if, and only if, such waiver is in writing and signed by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified in this Agreement) shall operate as a waiver thereof and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

10.11 No Presumption. The Parties acknowledge that each has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any applicable law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

10.12 Governing Law. This Agreement and any dispute, controversy or claim arising from or in connection with this Agreement or its subject matter shall be governed by, and construed in accordance with, the Laws of Hong Kong.

10.13 Dispute Resolution.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or its subject matter (including any dispute regarding the existence, validity, formation, effect, interpretation, performance or termination of this Agreement) (each a "Dispute") shall be finally settled by arbitration.

(b) The arbitration venue shall be Hong Kong, and the arbitration shall be administered by the Hong Kong International Arbitration Centre (the

30

"HKIAC") in accordance with the HKIAC Administered Arbitration Rules then in force (the "HKIAC Rules").

- (c) The arbitration tribunal shall consist of three (3) arbitrators, whose appointment shall be in accordance with HKIAC Rules.
- (d) Arbitration proceedings (including but not limited to any arbitral award rendered) shall be in Chinese.
- (e) Subject to the approval of the tribunal, any Dispute which arises subsequent to the commencement of arbitration of any existing Dispute(s), shall be resolved by the tribunal already appointed to hear the existing Dispute(s).
- (f) The award of the arbitration tribunal shall be final and conclusive and binding upon the parties as from the date rendered.
- (g) Judgment upon any award may be entered and enforced in any court having jurisdiction over a party or any of its assets. For the purpose of the enforcement of an award, the Parties irrevocably and unconditionally submit to the jurisdiction of any competent court and waive any defenses to such enforcement based on lack of personal jurisdiction or inconvenient forum.

10.14 Specific Performance. Both Parties acknowledges and agrees that irreparable damages will be incurred and monetary compensation is not sufficient for the breach of the Agreement in all circumstances if any of the provisions of this Agreement are not performed in accordance with their specific terms. Accordingly, in addition to any other right or remedy to which each Party may be entitled, at law or in equity, each Party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

10.15 Force Majeure. Neither Party shall be liable for failure to perform any of its obligations under this Agreement during any period in which such Party cannot perform due to hacker attack, fire, flood or other natural disaster, war, embargo, riot or the intervention of any Governmental Authority, provided, however, that the Party so delayed immediately notifies the other Party of such delay. In no event shall such nonperformance by one Party be excused due to any such event for longer than ninety (90) days.

10.16 Counterparts. This Agreement may be executed and delivered (including execution and delivery by facsimile transmission) in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed and

31

delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 10.16.

10.17 Termination of Previous Agency Agreement. According to Both Parties agree that the original Agency Agreement shall be terminated immediately and shall not be in force any longer upon the Effective Date. And for the avoidance of doubt, no provision of the original Agency Agreement shall remain effective upon such termination.

[SIGNATURE PAGE FOLLOWS]

32

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

SINA CORPORATION

By: /s/ Charles Chao

Name:

Title:

LEJU HOLDINGS LIMITED

By: /s/ Xin Zhou

Name:

Title:

33

Exhibit A

Mutual Termination Agreement

This Mutual Termination Agreement (the "Termination Agreement") is made and entered into on March 7, 2014, by and between SINA CORPORATION ("SINA") and China Online Housing Technology Corporation ("COHT", collectively with SINA, the "Parties", and individually, the "Party").

WHEREAS, SINA and COHT entered into an Amended and Restated Advertising Inventory Sale Agency Agreement dated August 31, 2009 (the "Previous Agency Agreement"); and

WHEREAS, SINA and COHT desire to terminate Previous Agency Agreement as of the date this Termination Agreement was entered into.

NOW THEREFORE, in consideration of the mutual agreements and promises hereinafter set forth, and other effective and valuable consideration (the parties hereby acknowledge receipt of such consideration), the Parties hereby agree as follows:

1. SINA and COHT agree that, from the date as of which this Termination Agreement was entered into, Previous Agency Agreement shall be deemed terminated and cease to be effective or valid; and for avoidance of doubt, no terms or provisions thereof shall continue to be effective or valid except for Section 8.02, Section 10.01, Section 10.02, Section 10.03, Section 10.05, Section 10.11, Section 10.12, Section 10.13 and Section 10.17.
2. This Agreement shall constitute the entire agreement between the Parties and shall not be amended or modified without an instrument in writing signed by each of the Parties hereto.
3. This Termination Agreement is governed by the laws of People's Republic of China without giving effect to any choice of law rules.
4. This Agreement may be signed in one or more counterpart signature pages, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
5. This Agreement shall be binding upon, and inure to the benefit of, each of the Parties and their respective successors and permitted assigns.

[SIGNATUER PAGE FOLLOWS]

1

IN WITNESS WHEREOF, Parties hereto has caused this Termination Agreement to be executed by its duly authorized representatives on the date first set forth above.

SINA CORPORATION

By: _____

Name:
Title:

CHINA ONLINE HOUSING TECHNOLOGY CORPORATION

By: _____

Name:
Title:

1

Schedule A: Types of Real Estate Advertising

1 Developer's Advertising:

- 1.1 Industrial Real Estate
industrial factory, industrial park, logistics warehouses, industrial land and demand land
- 1.2 Commercial Real Estate
shopping center, office building, multiplex, hotel/reception and entertainment and design of commercial real estate
- 1.3 Residential Real Estate
ordinary residence, garden house, apartment, villa
- 1.4 Tourism Real Estate
holiday villa, Park house, leisure house

2 Home Construction Material Advertising:

- 2.1 Building Ceramics
tile, interior wall tile, exterior wall tile, paving tile, mosaic, waist line and crystal
- 2.2 Bath & Toilet Appliances
bathtub, basin, stool/urinal/bidet, shower room, facet, shower cabin, bathroom mirror and components
- 2.3 Kitchen Appliances
integrated kitchen, wall cabinet, kitchen cabinet and countertop
- 2.4 Residence Vertical Transportation
residence lift, panorama lift, escalator, cargo life, service lift and moving pavement
- 2.5 HVAC System

central air conditioning, ventilation, heating supply, cleaning/air condition for computer room, fresh air ventilator, heat collecting system, waterway system and HVAC control

- 2.6 Healthcare Facilities
swimming pool, playground, flooring equipment, sport and leisure equipment, flower stand and dustbin
- 2.7 Landscape Material
flower and seeding, gardening material, water and spring, lighting, scene, decoration material and flooring material
- 2.8 Floor
Laminate floor, solid wood floor, bamboo floor, cork floor, solid laminate floor, plastic floor and anti-static floor

2

- 2.9 Drop Ceiling
ceiling joist, ceiling and daylight plate
- 2.10 Coating
interior wall coating, exterior wall coating, floor coating, roof coating, ceiling coating, anti-corrosion coating and waterproof coating
- 2.11 Parking Lot
traffic control management, traffic safety facilities, traffic system software, smart parking lot, auto parking system and garage door
- 2.12 Door & Window
wood door & window, steel door & window, revolving door, burglarproof door, automatic door, plastic door & window, cast iron door & window, plastic-steel door & window, stainless steel door & window, aluminum door & window, glass steel door & window and garage door
- 2.13 Glass Curtain Wall
visible frame glass curtain wall, half invisible/ invisible frame glass curtain wall, suspended full glass curtain wall and point-supported glass curtain wall
- 2.14 Firefighting
fire alarm equipment, fire prevention materials and related products, firefighting equipment, emergency life-saving equipment, electrical fire safety products and personnel protective equipment
- 2.15 water supply and drainage
water, electricity and HVAC, pipeline and sewage system
- 2.16 Electrical
switch, plug and wire cable
- 2.17 Stone Material
stone care, artificial stone, cleaving stone, cultured stone, granite, marble, sandstone and artistic component
- 2.18 Roofing Materials and Technology
roofing materials and technology
- 2.19 System Integrator
smart building system, building facades system, HVAC system, residential lighting system, real estate information management system, water supply and drainage system, building energy-saving system, integrated kitchen, integrated bathroom, building automatic control system, security systems and electrical automation system

3

- 3 Real Estate Service Advertising:
 - 3.1 Real Estate Enterprise Consultancy
investment and financing consultancy, management consultancy, engineering consultancy, legal consultancy, financial consultancy, accumulation fund loan, real estate securities agent and real estate investment fund
 - 3.2 Real Estate Planning Agency
real estate market research, real estate consultancy, pre-planning and real estate sales agent
 - 3.3 Construction/Planning
urban planning, land planning, exploration and design, construction design, engineering decoration design and curtain wall design
 - 3.4 Property Management
property management of residence, commercial and office buildings
 - 3.5 Landscape Planning & Design
urban landscape planning, residential landscape planning, tourism area landscape planning, commercial landscape planning, environmental art and R&D of gardening items
 - 3.6 Garden Landscape Engineering
landscape greening engineering, garden greening, ancient architecture in garden and garden supervisor

- 3.7 Exterior & Interior Design
exterior design, interior design, finished flat /show flat design and business space design
- 3.8 Digital Building
building animation, indoor effect picture, virtual reality, animated TV advertising, bid animation and multimedia/ E-Brochure
- 3.9 Building Model
design and manufacture of building model, building model material and building structure model
- 3.10 Building Construction
building construction, fine decorated construction, external power project, reinforcement and reconstruction, project management, fire protection engineering and power transmission and distribution engineering
- 3.11 Commercial Real Estate Operation and Management
commercial investment and financing, business planning, business invitation service, business management and business

- 3.12 Real Estate Appraisal / Survey
real estate appraisal / survey
- 3.13 Project Bidding Agency
project bidding agency
- 3.14 Land Auction Agency
land auction agency

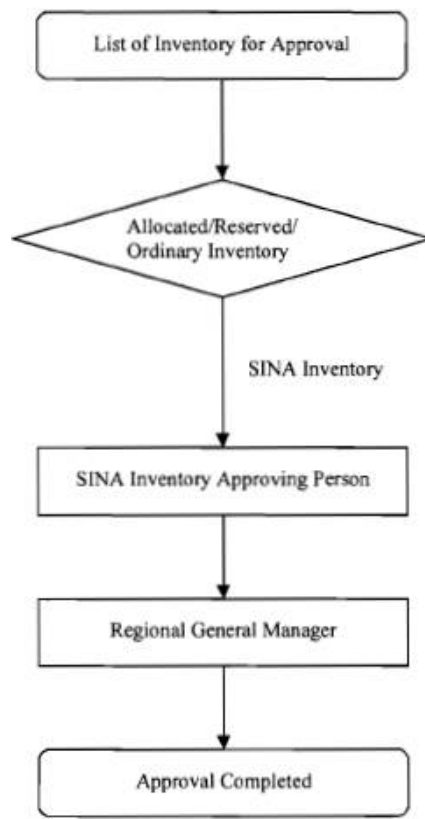
Schedule B: Location of Navigation Bar leading to Leju Channels at SINA Homepage

Note: the arrows in the following captured screen point to the locations of “real estate”, “home furnishing” and “health” of Leju Channels in the Navigation Bar of SINA Homepage, among which, “health” will be renamed as “construction” or other name otherwise agreed by both Parties.

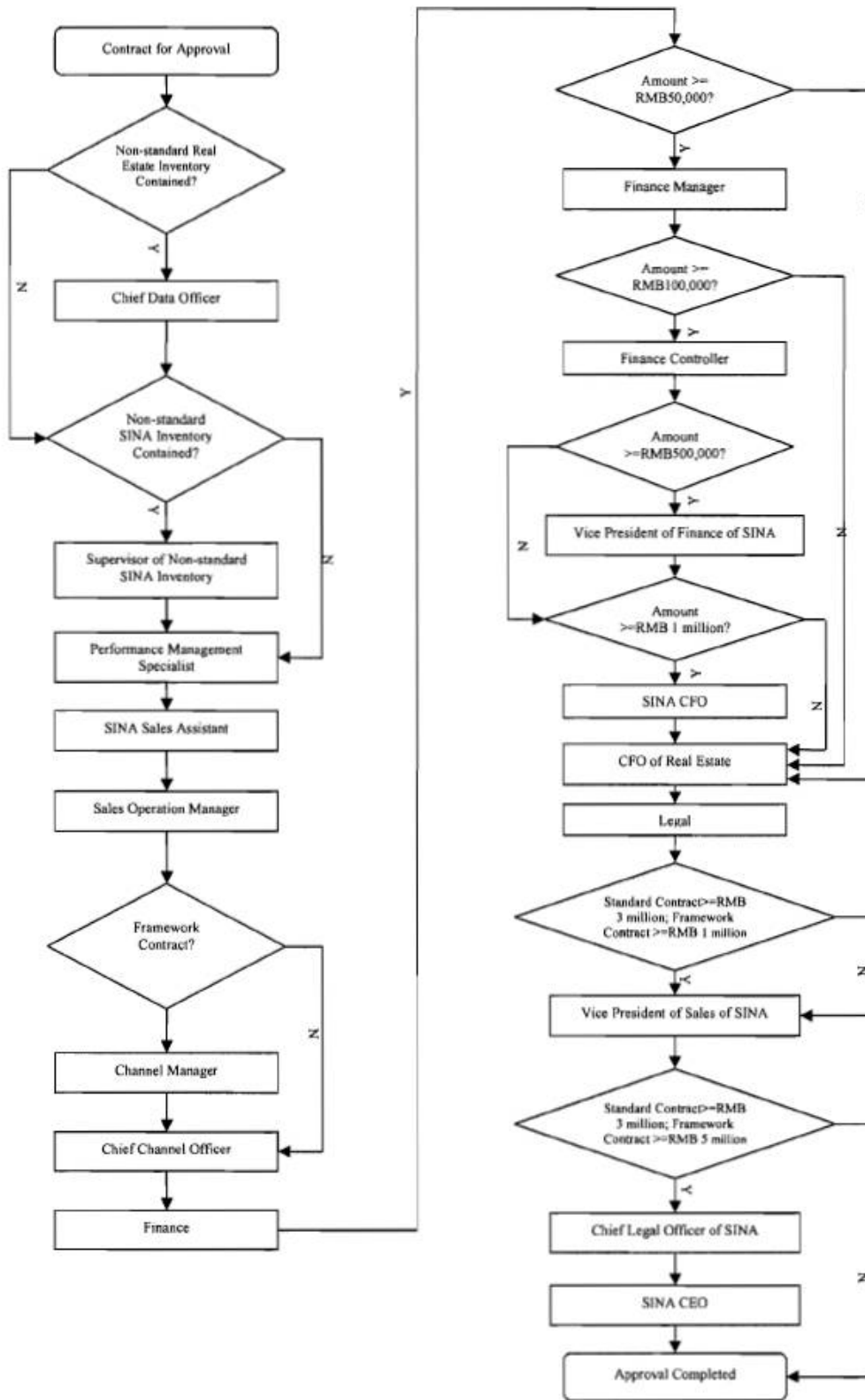


Schedule C: SINA Approval Procedures and Rules

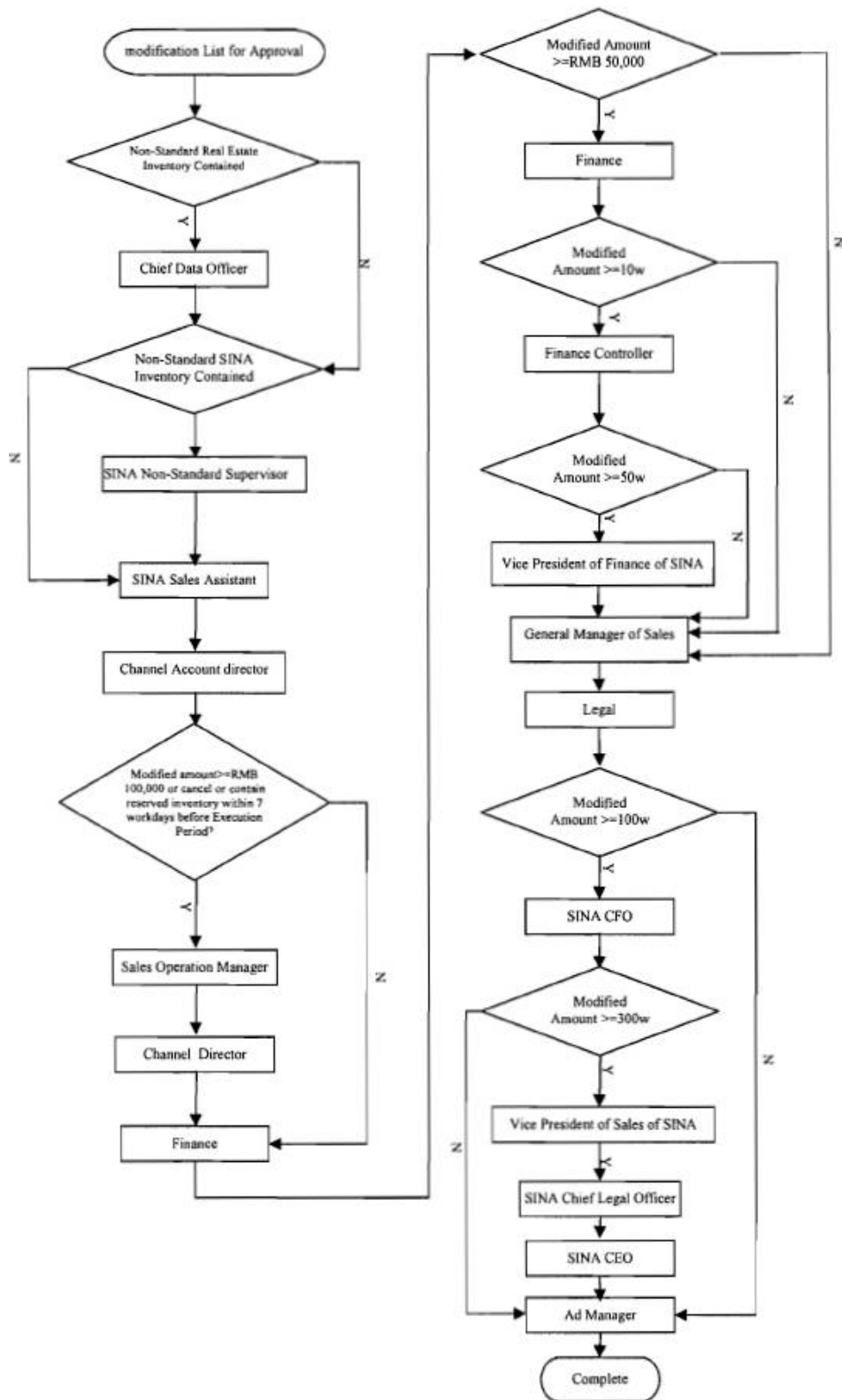
A. Inventory Approval Procedures



B. Contract Approval Procedures



C. Modification Procedures



D. Advertising Inventory Release Rules

1. Any Offsite Advertising Inventory (including Fixed Location Advertising Inventory) made available by SINA from time to time under its advertising filing system that has not been reserved and that SINA Agent intends to acquire in connection with the offering of any type of advertising contemplated under this Agreement shall be subject to the approval procedures set forth under this Schedule C, and shall:
 - i. be reserved under such advertising filing system no less than twenty-five (25) Business Days prior to its offering, and completed with contract approval procedures within twenty-five (25) Business Days upon such reserve; or
 - ii. be reserved under such advertising filing system no less than fifteen (15) Business Days prior to its offering, produced into a draft contract form within fifteen (15) Business Days upon such reserve, and completed with contract approval procedures no less than three (3) Business Days prior to its offering.
2. Any Offsite Advertising Inventory unavailable under the advertising filing system (“Non-standard Inventory”) that SINA Agent intends to acquire in connection with the offering of any type of advertising contemplated under this Agreement shall be subject to the approval procedures provided under this Schedule C, produced into a draft contract form within five (5) Business Days upon the generation of the Non-standard Inventory in the

Non-standard Inventory list, and completed with contract approval procedures within ten (10) Business Days upon the production of such draft contract form.

3. SINA is entitled to release any foregoing Advertising Inventory in connection with the offering of any advertising other than Real Estate Advertising and to any and all revenue arising therefrom if SINA Agent fails to comply with the procedures and/or time requirements provided under this Schedule C.

10

Schedule D: Fixed Location Advertising Inventory

Channel	Location	Unit List Price (RMB/Piece/Paid Day)	Piece	Total List Price (RMB/Paid Day)
SINA Homepage	top to bottom	20,500	20	410,000
SINA Homepage	top to right side	17,000	9	153,000
SINA Homepage	top to left side	16,000	9	144,000
SINA Homepage	top to bottom	8,000	20	160,000
SINA Homepage	small scroll bar	9,000	5	45,000
SINA Homepage	top to bottom text link	5,500	8	44,000
SINA Homepage	left side flash (two rounds)	13,000	2	26,000
Total:				982,000

Note: for each Agency Period, Business Day is paid day and non-Business Day belongs to Holiday Giveaway Inventory. The number of the paid day is 251 in a whole calendar year. If the Agency Period is shorter a whole calendar year (like the 1st and 11th Agency Period), the number of the paid day will be equal to that of all Business Day during such Agency Period. Accordingly, unless adjusted pursuant to Section 5.03 and/or Section 5.04(a)(ii) of this Agreement, the Fixed Location Advertising Annual Cap for each Agency Period from the 2nd to 10th Agency Period is RMB 246,482,000, and the Fixed Location Advertising Annual Cap for 1st and 11th Agency Period will be RMB982,000 multiplied by the number of Business Day during each period respectively.

11

Schedule E: Content Promotion Location

Channel	Location Name	Reference Webpage	Piece	Note
SINA Homepage	Auto/Real Estate	http://www.sina.com.cn/	5.5	
News Center	Category I— Brief News	http://news.sina.com.cn/	2/3	Not a whole piece
	Category II—Scroll News	http://news.sina.com.cn/	7	Middle bar
			5	Left Sidebar
			6	Right Sidebar
	Pictures Channel	http://news.sina.com.cn/photo/	1	Navigation Picture
Blog Channel	Category II —Real Estate	http://blog.sina.com.cn/	10	Middle bar
			12	Left Sidebar
			10	Right Sidebar
Finance Channel	Category I —Finance News	http://finance.sina.com.cn/	3	Middle bar
			3	Left Sidebar
	Finance Channel	http://finance.sina.com.cn/money/index.shtml	Crosscutting	Mortgage Calculator
BBS	Category II	http://bbs.sina.com.cn/	Crosscutting	

12

Schedule F: Identified Websites

1. Leju Channels
2. dichan.com
3. winfang.com

13

**AMENDED AND RESTATED DOMAIN NAME AND CONTENT LICENSE
AGREEMENT**

This Amended and Restated Domain Name and Content License Agreement (the “Agreement”) is made and entered into on March 7, 2014, by and between Beijing SINA Internet Information Service Co., Ltd. (北京新浪互联网服务有限公司), a limited liability company organized under the laws of the People’s Republic of China (hereinafter “Licensor”) and Beijing Yisheng Leju Information Services Co., Ltd., a limited liability company organized under the laws of the People’s Republic of China (“Licensee” and together with Licensor, the “Parties” and each a “Party”) and is made effective as of the Effective Date (defined below).

RECITALS

WHEREAS, Licensor is the registrant of certain domain names as more particularly described below that are related to the Business which it desires to license to Licensee and Licensee desires to obtain a license from Licensor to such domain names to use in connection with its operation of the Business on the terms and conditions set forth herein; and

WHEREAS, (i) Licensor and Shanghai SINA Leju Information Technology Co. Ltd. (“SINA Leju”) entered into that certain Domain Name License Agreement dated May 8, 2008 (the “Original Agreement”); (ii) Licensor and SINA Leju terminated the Original Agreement as of October 21, 2009; (iii) Licensee and Licensor entered into that certain Domain Name and Content License Agreement dated October 21, 2009 (the “Prior Agreement”); and (iv) Licensee and Licensor desire to amend and restate the Prior Agreement on the terms set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement of the Parties and the faithful performance thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used herein, the following terms shall have the meanings ascribed to them

Below.

“Action” has the meaning set forth in Section 8.1.

“Affiliate” means, when used with respect to any specified Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For the purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) with respect to the

relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Agency Agreement” means that certain Advertising Inventory Sale Agency Agreement by and between SINA Corporation and Leju , dated as of the date hereof.

“Business” means an online real estate media platform in the PRC that (i) provides information and updates related to real estate, home furnishing and construction in the PRC and provides real estate, home furnishing and construction advertising services, and (ii) operates a business-to-business and business-to-consumer Internet platform targeting participants in the PRC real estate industry, in each case, as currently conducted or contemplated to be conducted on the websites owned or operated by Licensee or any of Licensee’s Affiliates in the PRC.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Beijing.

“Change of Control” means an event that results in (a) E-House (China) Holdings Limited (and its controlled Affiliates) failing to control more than fifty percent (50%) of the voting rights of Leju; or (b) SINA Corporation (and its controlled Affiliates) failing to control more than ten percent (10%) of the voting rights of E-House (China) Holdings Limited.

“Claimant” has the meaning set forth in Section 10.12.

“Commission” has the meaning set forth in Section 10.12.

“Competitor” means any Person whose business includes an online portal.

“Confidential Information” has the meaning set forth in Section 9.1.

“Content” means text, graphics, information and data and other content, whether supplied by Licensee, Licensor, end users or third party providers.

“Dispute” has the meaning set forth in Section 10.12.

“Effective Date” means the date hereof, i.e., March 7, 2014.

“Governmental Authority” means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Initial Term” has the meaning set forth in Section 6.1.

“IPO” means the initial public offering in the United States, and listing on a stock exchange located in the United States, of securities of Leju.

2

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law or ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Leju” means Leju Holdings Limited, a company organized under the laws of Cayman Islands.

“Leju Entity” means each controlled Affiliate of Leju.

“Licensed Content” shall mean all Content (i) whose copyright is owned by Licensor; or (ii) owned by a third party provider but is sublicensable by Licensor to Licensee without requiring the payment of any additional fee to any third party and without violating the terms of any agreement with such third party provider, together with all updates to and substitutions therefor as may be implemented by Licensor or such third party provider.

“Licensed Domain Names” means the domain names listed on Exhibit A attached hereto.

“Licensee Parties” has the meaning set forth in Section 8.1.

“Licensor Parties” has the meaning set forth in Section 8.2.

“Operating Content” has the meaning set forth in Section 2.2.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“PRC” means the People’s Republic of China, excluding Hong Kong, Macau and Taiwan.

“Recipient” has the meaning set forth in Section 9.1.

“Respondent” has the meaning set forth in Section 10.12.

“Rules” has the meaning set forth in Section 10.12.

“Software License Agreement” means that certain Software License and Support Services Agreement by and between Beijing SINA Internet Information Service Co., Ltd. and SINA Leju dated as of the Effective Date.

“Term” has the meaning set forth in Section 6.1.

3

“Trademark License Agreement” means that certain Trademark License Agreement by and between Beijing SINA Internet Information Service Co., Ltd. and Licensee dated as of the Effective Date.

ARTICLE II **GRANT OF LICENSE**

2.1. Grant of Licenses.

(a) Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, an exclusive, non-transferable (except as set forth in Section 10.7) and non-sublicensable (except as provided in Section 2.1(c)) license to use the Licensed Domain Names in connection with the Business during the Term. Except as provided in Section 2.3, Licensee’s use of the Licensed Domain Names under the terms of this Agreement shall be free of any fees.

(b) Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, an exclusive, non-transferable (except as set forth in Section 10.7) and non-sublicensable (except as provided in Section 2.1(c)) license to use the Licensed Content in connection with websites associated with the Licensed Domain Names until the earlier of (i) termination or expiration of this Agreement, or (ii) termination or expiration of the Agency Agreement, provided, however, that in the event the Agency Agreement is amended or restated, such amendment or restatement shall not be deemed a termination or expiration of the Agency Agreement. Except as provided in Section 2.3, Licensee’s use of the Licensed Content under the terms of this Agreement shall be free of any fees.

(c) Notwithstanding anything in this Agreement to the contrary, Licensee has no right to sublicense any rights granted hereunder to any third party, or otherwise permit any third party to use any Licensed Domain Names or Licensed Content; provided, however, that any rights granted to Licensee hereunder shall be sublicensable, without the prior written consent of Licensor, to any Leju Entity solely for the purpose of operating the Business during the Term. All rights in and to the Licensed Domain Names and Licensed Content not expressly granted herein are hereby reserved exclusively by Licensor. Licensee shall be responsible for the compliance of the terms and conditions of this Agreement by all of its sublicensees. Without limiting the foregoing, in the event any sublicensee undertakes any action (or inaction) that would be deemed a breach of this Agreement had Licensee taken such action (or inaction), such action (or inaction) shall be deemed a breach by Licensee under this Agreement.

2.2. Other Content. Licensee may desire to use Content other than Licensed Content, from time to time, in connection with the websites associated with the Licensed Domain Names (“Operating Content”). Licensee may independently enter into an agreement with the owner of the Operating

Content to secure Licensee's right to use such Operating Content, and shall be solely responsible for the cost and expense associated with procuring such Content. For the avoidance of doubt, Licensee shall be permitted to upload such Operating Content directly onto Licensee's websites or through use of the Licensor's software pursuant to the Software

License Agreement. If Licensee requests Licensor to enter into such an agreement on behalf of Licensee and to provide the Operating Content to Licensee, Licensor and Licensee shall discuss such request in good faith; provided, however, if Licensor agrees to procure and provide such Operating Content, Licensee shall reimburse Licensor for all reasonable, incremental costs that Licensor incurs which are attributable to Licensee's request. For example, if Licensor, prior to the Effective Date, employs ten (10) full time employees dedicated to obtaining Content and, as a result of Licensee's request for Operating Content pursuant to this Section 2.2, must hire an additional full time employee to handle Licensee's request, Licensee shall reimburse Licensor for the costs related to such full time employee, provided that, if such full time employee also engages in work on behalf of Licensor or its Affiliates, Licensee shall reimburse Licensor on a pro rata basis only for the time spent by such full time employee in handling Licensee's requests. Licensee further acknowledges that Licensor has no obligation to fulfill any request by Licensee to procure Operating Content under this Section 2.2. Unless otherwise agreed to by the Parties, any Operating Content obtained on Licensee's behalf by Licensor shall be for Licensee's use only and shall not be used by Licensor or its Affiliates or provided or made available to any third parties by Licensor.

2.3. Fees. In the event E-House Research and Training Institute becomes entitled to charge, invoice, or otherwise receive from, Licensee any royalties, fees or other remuneration for use of the E-House Licensed Data and Information pursuant to amendments to the Master Transaction Agreement or through other means, Licensor and Licensee shall use good faith efforts to amend this Agreement such that Licensor becomes entitled to charge, invoice, or otherwise receive fees from Licensee to use the Licensed Domain Names and Licensed Content, such fees to be agreed upon by the Parties, provided that (i) such fees shall be commercially reasonable and (ii) such fees shall not exceed the fees charged by Licensor to unaffiliated third parties for use of the Licensed Content, taking into account any other consideration received by Licensor (including, but not limited to, discounted services offerings from the third party).

ARTICLE III **QUALITY CONTROL**

3.1. Licensee Control. Subject to the terms and conditions of this Agreement, Licensee shall be entitled to exercise exclusive control over all aspects of the websites and the Business associated with the Licensed Domain Names including, without limitation, the operation, the look-and-feel and the Content of such websites.

3.2. Content Distribution. Licensor shall make available to Licensee the Licensed Content in substantially the same manner and with substantially the same speed and efficiency as such Licensed Content was made available to SINA Leju prior to the effective date of the Prior Agreement, namely through Licensor's content database, but in no event with less speed, efficiency, or a lesser level of access than Licensor provides with respect to its own operations. Licensee agrees to use the Licensed Domain Names only in accordance with such content distribution policy that Licensor uses in connection with its own business, and as may be established by Licensor and communicated in writing in advance to Licensee from time to time or as may otherwise be agreed to by the Parties from time to time, provided that Licensee shall be afforded the same period of time to implement any such content distribution policy as is afforded to Licensor's Affiliates and other third parties.

3.3. Website Monitoring and Censoring.

(a) Licensee Obligations. Licensee shall monitor and censor all Content on the websites associated with the Licensed Domain Names, including without limitation Content posted by end users. Licensor shall also have the right to monitor and censor Content of the websites associated with Licensed Domain Names. Licensee shall remove any offending Content, including, but not limited to, any illegal materials, pornographic, obscene or sexually explicit materials, materials of a violent nature, or politically sensitive materials, from such websites as soon as possible after it becomes aware of such offending Content but in no event later than the timeframe prescribed by the Governmental Authority after receipt of oral or written notice from Licensor or such Governmental Authority. Licensee's failure to comply with this Section 3.3(a) shall be deemed a material breach of this Agreement. Without limiting the foregoing obligations, Licensee acknowledges that Licensor shall have the right to remove such offending Content from the websites associated with Licensed Domain Names.

(b) New Restrictions Imposed by Governmental Authority. In the event Licensor receives notice from any Governmental Authority that the websites associated with the Licensed Domain Names contain offending Content where (i) the basis or nature of such offense has not previously been identified by any Governmental Authority as offensive or inappropriate and (ii) Licensee has not also received notice from such Governmental Authority, Licensor shall promptly notify Licensee of Licensor's receipt thereof. Licensee shall then use best efforts to remove such Content as soon as possible in accordance with the instructions of such Governmental Authority. Notwithstanding the foregoing or anything in Section 8.2 to the contrary, in the event Licensor fails to notify Licensee of Licensor's receipt of such notice from a Governmental Authority, such that Licensee does not have sufficient time to remove such offending Content, Licensee shall not be liable for any fines or penalties imposed by a Governmental Authority in connection with such offending Content.

3.4. Compliance with Laws. Licensee shall ensure that the Business complies with all applicable Laws in respect of operation, advertising and promotion of the Business and use of the Licensed Domain Names and Licensed Content in connection therewith.

3.5. Restrictions. Except as expressly permitted under the Trademark License Agreement, Licensee shall not knowingly (a) use the Licensed Domain Names in any manner that tarnishes, degrades, disparages or reflects adversely on Licensor or Licensor's business or reputation, (b) in any jurisdiction, register or attempt to register any domain names that consist of, in whole or in part, or are confusingly similar to, the term "SINA", (c) contest, challenge or otherwise make any claim or take any action adverse to Licensor's interest in the Licensed Domain Names, (d) register any trademarks, trade names or company names that consist of, in whole or in part, or are confusingly similar to the term "SINA" in the name of Licensee or of any of its Affiliates, or (e) use the Licensed Content and other Content for any unlawful purpose, including but not limited to displaying or distributing any pornographic, obscene or sexually explicit material, materials of a violent nature, or politically sensitive materials. In the event that Licensor reasonably determines that any violation of the foregoing by Licensee poses an immediate harm to Licensor's business, reputation or goodwill, Licensee shall promptly, following receipt of notice from Licensor, cease and desist all such non-conforming uses.

ARTICLE IV
OWNERSHIP

4.1. Ownership. Licensee acknowledges that, as between the Parties, Licensor (or its third party providers) is the owner of all right, title and interest in and to the Licensed Domain Names and Licensed Content, and all such right, title and interest shall remain exclusively with Licensor (or its third party providers).

4.2. Prosecution and Maintenance. As between Licensee and Licensor, Licensor shall have the sole and exclusive right and obligation to maintain and renew registrations for the Licensed Domain Names during the Term, and shall do so at its own cost and expense during the Term. Licensee shall not engage in the foregoing affairs, in particular, Licensee shall not change or apply for change of the domain name registration service agency for the Licensed Domain Names during the Term of this Agreement.

ARTICLE V
ENFORCEMENT

5.1. Licensor Enforcement.

(a) Licensor shall have the right, but not the obligation, to take action against third parties in the courts, administrative agencies or otherwise, at Licensor's cost and expense, to prevent or terminate misuse, infringement, dilution, misappropriation, imitation or illegal use by third parties of the Licensed Domain Names or Licensed Content.

(b) Licensee shall reasonably cooperate with Licensor in any action, suit or proceeding that the Licensor may undertake under this Section 5.1 (including, without limitation, executing, filing and delivering all documents and evidence reasonably requested by the Licensor) and shall lend its name to such action, suit or proceeding if reasonably requested by the Licensor or required by applicable Law. All reasonable out-of-pocket expenses incurred by the Licensee in connection therewith shall be reimbursed by the Licensor. The Licensee shall have the right to participate and be represented in any such action, suit or proceeding by its own counsel at its own expense.

(c) All damages or other compensation of any kind recovered in any action, suit or proceeding undertaken under this Article V, or from any settlement or compromise thereof, shall be for the benefit of the Licensor, provided, however, that any compensation granted or awarded in light of any losses incurred by Licensee shall be for the benefit of the Licensee after Licensor's reasonable expenses for taking such action, suit or proceeding have been paid.

ARTICLE VI
TERM AND TERMINATION

6.1. Term. The initial term of this Agreement (the "Initial Term") shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter. Beginning twelve (12) months prior to the expiration of the Initial Term, the Parties shall use

7

good faith efforts to negotiate an extension of the term of this Agreement (the Initial Term together with any applicable extension, the "Term").

6.2. Termination for Bankruptcy. Either Party may immediately terminate this Agreement in the event that the other Party (a) becomes insolvent or unable to pay its debts as they mature; (b) makes an assignment for the benefit of its creditors; (c) seeks relief, or if proceedings are commenced against such other Party or on its behalf, under any bankruptcy, insolvency or debtors' relief law and such proceedings have not been vacated or set aside within seven (7) days from the date of commencement thereof.

6.3. Termination for Breach.

(a) By Licensor. Licensor may terminate this Agreement at any time in the event that the Licensee is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that the Licensee has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

(b) By Licensee. Licensee may terminate this Agreement at any time in the event that the Licensor is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that the Licensor has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

6.4. Termination for a Change of Control. Licensor may terminate this Agreement by providing prior written notice to Licensee upon the occurrence of a Change of Control.

6.5. Termination in the Event of Termination of Agency Agreement. In the event that the Agency Agreement is terminated pursuant to Section 9.02(c)(iii) or 9.02(d)(i) thereof, this Agreement shall automatically be terminated as of the effective date of the termination of the Agency Agreement and shall thereafter be of no further force or effect except as set forth in Section 6.7.

6.6. Effect of Termination.

(a) Upon termination (but not expiration) of this Agreement for any reason, Licensee shall be entitled to use the Licensed Domain Names and Licensed Content for a limited period of time, not to exceed ninety (90) days, during which it shall diligently work to transition to another solution. Upon expiration of this Agreement or such 90-day period, (i) all rights granted to Licensee under this Agreement with respect to the Licensed Domain Names and Licensed Content shall immediately cease, and (ii) Licensee shall immediately discontinue all use of the Licensed Domain Names and Licensed Content.

8

(b) Upon termination or expiration of the Agency Agreement (other than as described in Section 6.5), Licensee's rights under Section 2.1(b) are terminated and Licensee shall immediately discontinue all use of the Licensed Content, provided, however that in the event the Agency Agreement is amended or restated, such amendment or restatement shall not be deemed a termination or expiration of the Agency Agreement.

6.7. Survival. The duties and obligations of the Parties under Articles IV, VI, VIII, IX and X and Section 7.2 of this Agreement shall survive any termination or expiration of this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

7.1. Representations and Warranties.

(a) By Each Party. Each of Licensee and Licensor represents and warrants to each other Party that: (a) it is a corporation duly incorporated, validly existing and in good standing under applicable Law; (b) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are within its corporate powers; (c) it has taken necessary steps to obtain authority and all necessary consents and approvals of any other third party or Governmental Authority to execute and perform this Agreement; (d) this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the rights of creditors' generally or by general principals of equity; and (e) the execution, delivery and performance of this Agreement will not conflict with or result in any breach of its charter or certificate of incorporation, bylaws, or other governing document, or any instrument, obligation, or contract to which it or its properties is bound.

(b) By Licensor. Licensor represents and warrants that:

i. It has the right to grant the licenses granted to Licensee hereunder; and

ii. The Licensed Content and the Licensed Domain Names are, and the rights granted hereunder in connection with the Licensed Domain Names and Licensed Content are, substantially similar to the Licensed Content and the Licensed Domain Names and the rights that were granted to SINA Leju in connection therewith prior to the effective date of the Prior Agreement.

7.2. Disclaimer. LICENSEE HEREBY ACKNOWLEDGES AND AGREES THAT EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE SHARE PURCHASE AGREEMENT, THE LICENSED DOMAIN NAMES AND THE LICENSED CONTENT ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, VALIDITY, NONINFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND LICENSOR HEREBY DISCLAIMS ANY AND ALL SUCH WARRANTIES.

9

ARTICLE VIII

INDEMNIFICATION

8.1. Indemnification by Licensor. Licensor shall defend, indemnify and hold harmless Licensee and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensee Parties") from and against any claim, suit, demand or action ("Action"), and any and all direct losses suffered or incurred by Licensee in connection with any third party claims arising out of or resulting from any breach by Licensor of any provision of this Agreement. Licensor's obligation to indemnify Licensee shall be conditioned on (a) Licensee's provision to Licensor of prompt notice of such an Action (except where any delay does not materially prejudice Licensor); (b) Licensee's reasonable cooperation with Licensor in the defense and settlement of such an Action at Licensor's cost; and (c) Licensor having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensor may not settle any Action in a manner that adversely affects Licensee without Licensee's prior written consent, not to be unreasonably withheld or delayed).

8.2. Indemnification by Licensee. Licensee shall defend, indemnify and hold harmless Licensor and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensor Parties") from and against any Action, and any and all direct losses suffered or incurred by Licensor in connection with any third party claims (a) arising out of or resulting from any breach by Licensee of any provision of this Agreement, (b) regarding the Content (other than Licensed Content) of the websites associated with Licensed Domain Names, or (c) regarding any Content that was subject to a request for removal by a Governmental Authority, even if Licensee removes such Content within the time period proscribed by the Governmental Authority, provided that, in all cases, Licensee shall not be liable for any direct losses suffered or incurred by Licensor as a result of Licensor's failure to provide Licensee with a reasonable period of time to remove Content in cases where (i) the basis or nature of the offense has not previously been identified by any Governmental Authority as offensive or inappropriate and (ii) Licensee has not also received notice from the Governmental Authority. Licensee's obligation to indemnify Licensor shall be conditioned on (x) Licensor's provision to Licensee of prompt notice of such an Action (except where any delay does not materially prejudice Licensee); (y) Licensor's reasonable cooperation with Licensee in the defense and settlement of such an Action at Licensee's cost; and (z) Licensee having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensee may not settle any Action in a manner that adversely affects Licensor without Licensor's prior written consent, not to be unreasonably withheld or delayed).

ARTICLE IX

CONFIDENTIALITY

9.1. Confidential Information. In performing its obligations under this Agreement, either Party (the "Recipient") may obtain certain Confidential Information of the other Party. For purposes of this Agreement, "Confidential Information" shall mean information, documents and other tangible things, provided by either Party to the other, in whatever form, relating to such Party's business and marketing, including such Party's financial information, personal information, customer lists, product plans and marketing plans, whether alone or in its compiled form and whether marked as confidential or not. The Recipient shall maintain in

10

confidence all Confidential Information and shall not disclose such Confidential Information to any third party without the express written consent of the other Party except to those of its employees, subcontractors, consultants, representatives and agents as are necessary in connection with activities as contemplated by this Agreement. In maintaining the confidentiality of Confidential Information, the Recipient shall exercise the same degree of care that it exercises with its own confidential information, and in no event less than a reasonable degree of care. The Recipient shall ensure that each of its employees, subcontractors, consultants, representatives and agents holds in confidence and makes no use of the Confidential Information for any purpose other than those permitted under this Agreement or otherwise required by Law. Upon request by the other Party, the Recipient shall return, destroy or otherwise handle as instructed by the other Party, any documents or software containing such Confidential Information, and shall not continue to use such Confidential Information.

9.2. Exceptions. The obligation of confidentiality contained in Section 9.1 shall not apply to the extent that (a) the Recipient is required to disclose information by order or regulation of a Governmental Authority or a court of competent jurisdiction; provided, however, that, to the extent permitted by applicable Law, the Recipient shall not make any such disclosure without first notifying the other Party and allowing the other Party a reasonable opportunity to seek injunctive relief from (or a protective order with respect to) the obligation to make such disclosure; or (b) the Recipient can demonstrate that (i) the disclosed information was at the time of such disclosure to the Recipient already in (or thereafter enters) the public domain other than as a result of actions of the Recipient, its directors, officers, employees or agents in violation hereof, (ii) the disclosed information was rightfully known to the Recipient prior to the date of disclosure (other than pursuant to disclosure by the other Party pursuant to other agreements in effect between the Parties), or (iii) the disclosed information was received by the Recipient on an unrestricted basis from a source unrelated to any Party and not under a duty of confidentiality to the other Party.

ARTICLE X GENERAL PROVISIONS

10.1. Taxes. Each Party shall be responsible for taxes that should be borne by it in accordance with applicable Law. If any Party pays any taxes that should have been borne by the other Party in accordance with Law, such other Party shall reimburse such Party within seven (7) days after its receipt of documentation evidencing such tax payment so incurred by such Party.

10.2. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

10.3. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given, made or received (i) on the date of delivery if delivered in person or by messenger service, (ii) on the date of confirmation of receipt of transmission by facsimile (or, the first (1st) Business Day following such receipt if (a) such

11

date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) or (iii) on the date of confirmation of receipt if delivered by an internationally recognized overnight courier service or registered or certified mail (or, the first (1st) Business Day following such receipt if (a) such date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.3):

if to Licensor:

SINA Corporation
20/F Beijing Ideal International Plaza
No. 58 Northwest 4th Ring Road
Haidian District, Beijing, 100090
People's Republic of China
Facsimile: +86 10 8260 7166
Attention: Head of Legal Department (Gu Haiyan)

if to Licensee:

Beijing Yisheng Leju Information Services Co., Ltd.
c/o Leju Holdings Limited
15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People's Republic of China
+86 10 5895 1000
Attention: Chief Executive Officer

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower, The Landmark
12 Queen's Road Central, Hong Kong
Facsimile: +852 3740 4727
Attention: Jonathan B. Stone, Esq. and Z. Julie Gao, Esq.

10.4. Public Announcements. Neither party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other party unless otherwise required by Law or applicable stock exchange regulation, and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

10.5. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall

negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

10.6. Entire Agreement. This Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof and thereto (including the Original Agreement and the Prior Agreement).

10.7. Assignment. This Agreement and any rights or authority granted hereunder shall not be assigned or transferred by either Party, including by operation of law, merger or otherwise, without the express written consent of the other Party, provided that Licensor may assign this Agreement without consent to any of its Affiliates and Licensee may assign this Agreement without consent to SINA Leju or an Affiliate of Licensee that is controlled by SINA Leju.

10.8. Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, both Parties or (b) by a waiver in accordance with Section 10.9.

10.9. Waiver. Either Party may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties of the other Party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. No waiver of any representation, warranty, agreement, condition or obligation granted pursuant to this Section 10.9 or otherwise in accordance with this Agreement shall be construed as a waiver of any prior or subsequent breach of such representation, warranty, agreement, condition or obligation or any other representation, warranty, agreement, condition or obligation. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

10.10. No Third Party Beneficiaries. Except for the provisions of Article VII relating to indemnified parties, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and each Leju Entity, and nothing herein, express or implied (including the provisions of Article VII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

10.11. Governing Law. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by, and construed in accordance with, the laws of the People's Republic of China (without regard to its conflicts of laws rules that would mandate the application of the laws of another jurisdiction).

10.12. Dispute Resolution. (a) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof (each, a "Dispute"), shall to the extent possible be settled through friendly consultation among the Parties hereto. The claiming Party (the "Claimant") shall promptly notify the other Party (the "Respondent") in a dated written notice that a Dispute has arisen and describe the nature of the Dispute. Any Dispute which remains unresolved within sixty (60) days after the date of such written notice shall be submitted to the China International Economic and Trade Arbitration Commission (the "Commission") to be finally settled by arbitration in Beijing, PRC in accordance with the Commission's then effective rules (the "Rules") and this Section 10.12. The language of the arbitration shall be Mandarin Chinese.

(b) The arbitration tribunal shall consist of three (3) arbitrators. The Claimant shall appoint one (1) arbitrator, the Respondent shall appoint one (1) arbitrator, and the two (2) arbitrators so appointed shall appoint a third arbitrator. If the Claimant and the Respondent fail to appoint one (1) arbitrator, or the two (2) arbitrators appointed fail to appoint the third arbitrator within the time periods set by the then effective Rules, the relevant appointment shall be made promptly by the Commission.

(c) Any award of the arbitration tribunal established pursuant to this Section 10.12 shall be final and binding upon the Parties, and enforceable in any court of competent jurisdiction. The Parties shall use their best efforts to effect the prompt execution of any such award and shall render whatever assistance as may be necessary to this end. The prevailing Party (as determined by the arbitrators) shall be entitled to reimbursement of its costs and expenses, including reasonable attorney's fees, incurred in connection with the arbitration and any judicial enforcement, unless the arbitrators determine that it would be manifestly unfair to honor this agreement of the Parties and determine a different allocation of costs.

(d) The foregoing provisions in this Section 10.12 shall not preclude any Party from seeking interim or conservatory remedies, including injunctive relief, from any court having jurisdiction to grant such relief.

10.13. No Presumption. The Parties acknowledge that each has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any applicable Law that would require interpretation of any claimed

ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

10.14. Specific Performance. The parties hereto acknowledge and agree that irreparable damage would occur if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a party hereto may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

10.15. Force Majeure. Neither Party shall be liable for failure to perform any of its obligations under this Agreement during any period in which such Party cannot perform due to hacker attack, fire, flood or other natural disaster, war, embargo, riot or the intervention of any Governmental Authority, provided, however, that the Party so delayed immediately notifies the other Party of such delay. In no event shall such nonperformance by Licensee be excused due to any such event for longer than ninety (90) days.

10.16. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[SIGNATURES ON NEXT PAGE]

15

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed by its duly authorized representatives on the date first set forth above.

/s/ **Beijing SINA Internet Information Service Co., Ltd.**

/s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

16

EXHIBIT A

LICENSED DOMAIN NAMES

house.sina.com.cn

jiaju.sina.com.cn

construction.sina.com.cn

dichan.sina.com.cn

esf.sina.com.cn

leju.sina.com.cn (only for email address)

AMENDED AND RESTATED TRADEMARK LICENSE AGREEMENT

This Amended and Restated Trademark License Agreement (the "Agreement") is made and entered into March 7, 2014, by and between Beijing SINA Internet Information Service Co., Ltd. (北京新浪互联网服务有限公司), a limited liability company organized under the laws of the People's Republic of China (hereinafter "Licensor") and Beijing Yisheng Leju Information Services Co., Ltd., a limited liability company organized under the laws of the People's Republic of China ("Licensee") and together with Licensor, the "Parties" and each a "Party") and is made effective as of the Effective Date (defined below).

RECITALS

WHEREAS, Licensor owns certain trademarks as more particularly described below that are related to the Business which it desires to license to Licensee and Licensee desires to obtain a license from Licensor to such trademarks to use in connection with its operation of the Business on the terms and conditions set forth herein; and

WHEREAS, (i) Licensor and Shanghai SINA Leju Information Technology Co. Ltd. ("SINA Leju") entered into that certain Trademark License Agreement dated May 8, 2008 (the "Original Agreement"); (ii) Licensor and SINA Leju terminated the Original Agreement as of October 21, 2009; (iii) Licensee and Licensor entered into that certain Trademark License Agreement dated October 21, 2009 (the "Prior Agreement"); and (iv) Licensee and Licensor desire to amend and restate the Prior Agreement on the terms set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement of the Parties and the faithful performance thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I DEFINITIONS

As used herein, the following terms shall have the meanings ascribed to them below.

"Action" has the meaning set forth in Section 8.1.

"Affiliate" means, when used with respect to any specified Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For the purposes of this definition, "control" (including the terms "controlled by" and "under common control with") with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly

or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

"Agency Agreement" means that certain Advertising Inventory Sale Agency Agreement by and between SINA Corporation and Leju, dated as of the date hereof.

"AIC" has the meaning set forth in Section 10.17.

"Branding Guidelines" has the meaning set forth in Section 3.1.

"Business" means an online real estate media platform in the PRC that (i) provides information and updates related to real estate, home furnishing and construction in the PRC and provides real estate, home furnishing and construction advertising services, and (ii) operates a business-to-business and business-to-consumer Internet platform targeting participants in the PRC real estate industry, in each case, as currently conducted or contemplated to be conducted on the websites owned or operated by Licensee or any of Licensee's Affiliates in the PRC.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Beijing.

"Change of Control" means an event that results in (a) E-House (China) Holdings Limited (and its controlled Affiliates) failing to control more than fifty percent (50%) of the voting rights of Leju; or (b) SINA Corporation (and its controlled Affiliates) failing to control more than ten percent (10%) of the voting rights of E-House (China) Holdings Limited.

"Claimant" has the meaning set forth in Section 10.12. "Commission" has the meaning set forth in Section 10.12. "Competitor" means any Person whose business includes an online portal. "Confidential Information" has the meaning set forth in Section 9.1.

"Dispute" has the meaning set forth in Section 10.12.

"Effective Date" means the date hereof, i.e., March 7, 2014 .

"Exclusive Licensed Marks" means the following Trademarks: 北京(商), 新浪, 新浪网 and 新浪网 as identified on

Exhibit A.

"Governmental Authority" means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Initial Term" has the meaning set forth in Section 6.1.

“IPO” means the initial public offering in the United States, and listing on a stock exchange located in the United States, of securities of Leju.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Leju” means Leju Holdings Limited, a company organized under the laws of Cayman Islands.

“Leju Entity” means each controlled affiliate of Leju.

“Licensed Marks” means the Exclusive Licensed Marks and the Non-Exclusive Licensed Marks, as listed on Exhibit A attached hereto.

“Licensed Products” means products and services related to the Business which bear, or are sold, provided or marketed under, a Licensed Mark.

“Licensee Parties” has the meaning set forth in Section 8.1.

“Licensee Websites” means the websites located at www.leju.com and the channels located at house.sina.com.cn, jiaju.sina.com.cn, construction.sina.com.cn, dichan.sina.com.cn and esf.sina.com.cn.

“Licensor Parties” has the meaning set forth in Section 8.2.

“Non-Exclusive Licensed Marks” means the following Trademarks: sina, sina □□, and □□□□, as identified on Exhibit A.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“PRC” or “Territory” means the People’s Republic of China, excluding Hong Kong, Macau and Taiwan.

“Recipient” has the meaning set forth in Section 9.1

“Respondent” has the meaning set forth in Section 10.12.

“Rules” has the meaning set forth in Section 10.12.

“Term” has the meaning set forth in Section 6.1.

3

“Trademarks” means trademarks, service marks, domain names, trade dress, trade names, corporate names, logos, designs, symbol, slogan and other identifiers of source or goodwill.

ARTICLE II **GRANT OF LICENSE**

2.1. Grant of License.

(a) Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor a non-exclusive, non-transferable (except as set forth in Section 10.7), non-sublicensable (except as provided in Section 2.1(c)), limited right and license to use the Non-Exclusive Licensed Marks in connection with the Business in the Territory during the Term solely (i) on Licensed Products, (ii) on Licensee Websites, and (iii) in Licensee’s marketing and advertising efforts and materials to promote such Licensed Products. Except as provided in Section 2.2, Licensee’s use of the Non-Exclusive Licensed Marks under the terms of this Agreement shall be free of any fees.

(b) Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor an exclusive, non-transferable (except as set forth in Section 10.7), non-sublicensable (except as provided in Section 2.1(c)), limited right and license to use the Exclusive Licensed Marks in connection with the Business in the Territory during the Term solely (i) on Licensed Products, (ii) on Licensee Websites, and (iii) in Licensee’s marketing and advertising efforts and materials to promote such Licensed Products. Except as provided in Section 2.2, Licensee’s use of the Exclusive Licensed Marks under the terms of this Agreement shall be free of any fees.

(c) Licensor hereby acknowledges that Licensee owns all right, title and interest in and to the “Leju (□□)” Trademark. Licensee hereby grants Licensor a nonexclusive, non-transferable, non-sublicensable, limited right and license to use the “Leju (□□)” Trademark in connection with the application(s) for the Exclusive Licensed Marks and maintaining registrations for the Exclusive Licensed Marks resulting therefrom. All rights in and to the Leju Trademark not expressly granted herein are hereby exclusively reserved by Licensee. Nothing in this Agreement shall preclude Licensee, its Affiliates, or any of their respective successors or assigns from using or permitting other Persons to use the Leju Trademark in any manner, or taking any action to enforce its or their rights therein.

(d) Notwithstanding anything in this Agreement to the contrary, Licensee has no right to sublicense any rights granted hereunder to any third party, or otherwise permit any third party to use any Licensed Marks; provided, however, that any rights granted to Licensee hereunder with respect to the Licensed Marks may, without the prior consent of Licensor, be sublicensed to any Leju Entity solely for the purpose of operating the Business in the Territory during the Term. All rights in and to the Licensed Marks not expressly granted herein are hereby reserved exclusively by Licensor. Licensee shall be responsible for the compliance of the terms and conditions of this Agreement

4

by all of its sublicensees. Without limiting the foregoing, in the event any sublicensee undertakes any action (or inaction) that would be deemed a breach of this Agreement had Licensee taken such action (or inaction), such action (or inaction) shall be deemed a breach by Licensee under this Agreement.

2.2. Fees. In the event E-House Research and Training Institute becomes entitled to charge, invoice, or otherwise receive from, Licensee any royalties, fees or other remuneration for use of the E-House Licensed Data and Information pursuant to amendments to the Master Transaction Agreement or through other means, Licensor and Licensee shall use good faith efforts to amend this Agreement such that Licensor becomes entitled to charge, invoice, or otherwise receive fees from Licensee to use the Licensed Marks, such fees to be agreed upon by the Parties, provided that (i) such fees shall be commercially reasonable and (ii) such fees shall not exceed the fees charged by Licensor to unaffiliated third parties for use of the Licensed Marks, taking into account any other consideration received by Licensor (including, but not limited to, discounted services offerings from the third party).

2.3. Usage Restrictions.

(a) Licensee shall ensure that all uses of Licensed Marks are in compliance with the requirements of this Agreement.

(b) Without limiting the restriction set forth in Section 2.3(a), Licensee shall not (i) use any Licensed Marks with any other Trademark so as to form a composite mark, or (ii) use any Licensed Mark as an element of Licensee's company name (except in the same manner in which such Licensed Mark is used prior to the Effective Date, provided Licensee shall not misrepresent its relationship or affiliation with Licensor).

(c) Without Licensor's prior written consent, Licensee shall not transfer (except as permitted pursuant to Section 10.7) or create any security interest upon the Licensed Marks or this Agreement.

(d) Licensee shall not, nor authorize any other Person within Licensee's control to, publicly disseminate, distribute or use any Licensed Marks (i) on any products, packaging, labels, advertisements or other materials that have not been previously approved or deemed approved by Licensor (provided, however, that the use of the Licensed Marks in the same manner used by Licensee prior to the Effective Date is deemed approved, provided Licensee shall not misrepresent its relationship or affiliation with Licensor), or (ii) in connection with sponsoring, endorsing or claiming any affiliation with Licensor, in each case of (i) and (ii), without prior consultation with Licensor, including providing Licensor with samples, specimens or descriptions thereof (provided, however, that the use of the Licensed Marks in the same manner used by Licensee or any Leju Entity prior to the Effective Date is deemed approved, provided Licensee shall not misrepresent its relationship or affiliation with Licensor). In the event that Licensor does not provide any objections or requests for modifications within ten (10) days from receipt of such samples, specimens or descriptions, such use shall be deemed approved. In the event that Licensor provides any reasonable objections or requests for modifications, Licensee shall address such objections or requests for modifications to Licensor's reasonable satisfaction

5

prior to such public dissemination, distribution or use. Notwithstanding the foregoing, nothing in this Section 2.3(d) shall limit Licensor's rights under Article III of this Agreement.

2.4. Territory Restrictions. Licensee's use of the Licensed Marks shall be limited to the Territory and Licensee shall not use or authorize the use of Licensed Marks in any manner, directly or indirectly, outside the Territory. Licensor acknowledges that use by Licensee, or its permitted sublicensees, of the Licensed Marks in connection with an internet site(s) featuring content directed to end users in the Territory does not constitute use outside the Territory for purposes of this Agreement.

2.5. Licensor's Use. Nothing in this Agreement shall preclude Licensor, its Affiliates or any of their respective successors or assigns from using or permitting other Persons to use the Licensed Marks, outside the Territory, in any manner, whether or not such entity directly or indirectly competes or conflicts with Licensee.

ARTICLE III **QUALITY CONTROL**

3.1. Quality Control. In order to preserve the inherent value of the Licensed Marks, Licensee shall ensure that the nature and quality of Licensed Products in connection with which Licensee uses the Licensed Marks shall continue to be at least equal to the nature and quality of the products and services offered in connection with the Business immediately prior to the Effective Date. Licensee agrees to use the Licensed Marks in the Territory only in accordance with such branding and style guidelines as used by the Business immediately prior to the Effective Date or as otherwise may be established by Licensor in connection with its own business and communicated in writing to Licensee from time to time or as may otherwise be agreed to by the Parties from time to time (the "Branding Guidelines"). provided that Licensee shall be afforded the same period of time to implement such Branding Guidelines as is afforded to Licensor's Affiliates and other third parties. In the event that Licensor reasonably determines that any use by Licensee of the Licensed Marks is in violation of this Section 3.1, Licensee shall remedy such non-conforming use as soon as practicable and if the use poses an immediate threat to the validity or enforceability of the Licensed Marks or harm to Licensor's business, reputation or goodwill, Licensee shall, promptly following receipt of notice from Licensor, cease and desist all such non-conforming uses.

3.2. Compliance with Laws. Licensee shall ensure that the Business complies with all applicable Laws in respect of operation, advertising and promotion of the Business and use of the Licensed Marks in connection therewith.

ARTICLE IV **OWNERSHIP**

4.1. Ownership. Licensee acknowledges that Licensor is the owner of all right, title and interest in and to the Licensed Marks, and all such right, title and interest shall remain exclusively with Licensor. All goodwill and improved reputation generated by Licensee's use of the Licensed Marks shall inure solely to the benefit of Licensor. Licensee shall not knowingly

6

(a) use the Licensed Marks in any manner that tarnishes, degrades, disparages or reflects adversely on Licensor or Licensor's business or reputation, or which dilutes or otherwise harms the value, reputation, or distinctiveness of the Licensed Marks or the goodwill of the Licensor therein, (b) in any jurisdiction, file

applications to register any Trademarks that consist of, in whole or in part, or are confusingly similar to, any of the Licensed Marks, (c) contest, challenge or otherwise make any claim or take any action adverse to Licensor's ownership of or interest in the Licensed Marks, (d) register any domain names that consist of, in whole or in part, or are confusingly similar to any of the Licensed Marks, or register the Licensed Marks as a trade names and/or company names for Licensee or any of its Affiliates, or (e) use, associate or link, in any manner, any Licensed Marks in connection with any illegal materials, pornographic, obscene or sexually explicit materials, materials of a violent nature, or politically sensitive materials. If Licensee desires (i) the right to use any Trademark, other than the Licensed Marks, consisting of or containing "SINA" (or "□□") or (ii) Licensor to apply for registration in the Territory of any Trademark, other than the Licensed Marks, consisting of or containing "SINA" (or "□□"), Licensee and Licensor shall discuss such request in good faith and upon agreement of the Parties, Licensor shall file such application and the schedule of Licensed Marks set forth on Exhibit A shall be amended to include any such agreed-upon Trademarks.

4.2. Prosecution and Maintenance.

(a) As between Licensee and Licensor, Licensor shall have sole and exclusive discretion and control with respect to prosecuting, obtaining, maintaining, renewing and protecting applications and registrations for the Licensed Marks, and shall do so at its own cost and expense during the Term. Licensor shall renew any registration for any Licensed Mark(s) that is scheduled to expire during the Term and shall re-record this Agreement at the Trademark Office of China at such time that Licensor renews such registration.

(b) With respect to the Exclusive Licensed Marks (□□□□□□(□□□) and □□□□□□) Licensor shall diligently pursue the registration of such Licensed Marks. Once such Licensed Mark is registered, Licensor shall record this Agreement at the Trademark Office of China as set forth in Section 10.17.

ARTICLE V
ENFORCEMENT

5.1. Notification. Each Party shall promptly notify the other Party in writing and provide the other with all relevant background facts upon becoming aware of: (a) any use by a third party of, or any application or registration by a third party for, any Trademark in the Territory that does or may conflict with any of the Licensed Marks; or (b) any misuse or act by a third party of infringement, dilution, misappropriation or unfair competition in the Territory involving any of the Licensed Marks or any confusingly similar variant thereof.

5.2. Licensor Enforcement.

(a) Licensor shall have the right, but not the obligation, to take action against third parties in the courts, administrative agencies or otherwise, at Licensor's cost and expense, to prevent or terminate misuse, infringement, dilution, misappropriation, imitation or illegal use of

7

the Licensed Marks and to oppose or cancel applications or registrations for any Trademarks that conflict with any of the Licensed Marks, or to defend the Licensed Marks.

(b) Licensee shall reasonably cooperate with Licensor at Licensor's expense in any action, suit or proceeding that the Licensor may undertake under this Section 5.2 (including without limitation, executing, filing and delivering all documents and evidence reasonably requested by the Licensor) and shall lend its name to such action, suit or proceeding if reasonably requested by the Licensor or required by applicable Law. The Licensee shall have the right to participate and be represented in any such action, suit or proceeding by its own counsel at its own expense.

(c) All damages or other compensation of any kind recovered in any action, suit or proceeding undertaken under this Article V, or from any settlement or compromise thereof, shall be for the benefit of the Licensor, provided, however, that any compensation granted or awarded in light of any losses incurred by Licensee shall be for the benefit of the Licensee after Licensor's reasonable expenses for taking such action, suit or proceeding have been paid.

ARTICLE VI
TERM AND TERMINATION

6.1. Term. The initial term of this Agreement (the "Initial Term") shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter. Beginning twelve (12) months prior to the expiration of the Initial Term, the Parties shall use good faith efforts to negotiate an extension of the term of this Agreement (the Initial Term together with any applicable extension, the "Term").

6.2. Termination for Bankruptcy. Either Party may immediately terminate this Agreement in the event that the other Party (a) becomes insolvent or unable to pay its debts as they mature; (b) makes an assignment for the benefit of its creditors; (c) seeks relief, or if proceedings are commenced against such other Party or on its behalf, under any bankruptcy, insolvency or debtors' relief law and such proceedings have not been vacated or set aside within seven (7) days from the date of commencement thereof.

6.3. Termination for Breach.

(a) By Licensor. Licensor may terminate this Agreement at any time in the event that Licensee is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that Licensee has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

(b) By Licensee. Licensee may terminate this Agreement at any time in the event that the Licensor is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that

8

the Licensor has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

6.4. Termination for a Change of Control. Licensor may terminate this Agreement by providing prior written notice to Licensee upon the occurrence of a Change of Control.

6.5. Termination in the Event of Termination of Agency Agreement. In the event that the Agency Agreement is terminated pursuant to Section 9.02(c)(iii) or 9.02(d)(i) thereof, this Agreement shall automatically be terminated as of the effective date of the termination of the Agency Agreement and shall thereafter be of no further force or effect except as set forth in Section 6.7.

6.6. Effect of Termination. Upon termination (but not expiration) of this Agreement for any reason, Licensee shall be entitled to use the Licensed Marks for a limited period of time, not to exceed ninety (90) days, during which it shall diligently work to transition to another solution. Upon expiration of this Agreement or such 90-day period, (a) all rights granted to Licensee under this Agreement with respect to the Licensed Marks shall immediately cease, and (b) Licensee shall immediately discontinue all use of the Licensed Marks.

6.7. Survival. The duties and obligations of the Parties under Articles IV, VI, VIII, IX and X and Sections 2.1(c) and 7.2 of this Agreement shall survive any termination or expiration of this Agreement.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

7.1. Representations and Warranties.

(a) By Each Party. Each of Licensee and Licensor represents and warrants to each other Party that: (a) it is a corporation duly incorporated, validly existing and in good standing under applicable Law; (b) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are within its corporate powers;

(c) it has taken necessary steps to obtain authority and all necessary consents and approvals of any other third party or Governmental Authority to execute and perform this Agreement; (d) this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the rights of creditors' generally or by general principals of equity; and (e) the execution, delivery and performance of this Agreement will not conflict with or result in any breach of its charter or certificate of incorporation, bylaws, or other governing document, or any instrument, obligation, or contract to which it or its properties is bound.

(b) By Licensor. Licensor represents and warrants that:

i. It has the right to grant the licenses granted to Licensee hereunder; and

9

ii. The Licensed Marks are, and the rights granted hereunder in connection with the Licensed Marks are, substantially similar to the rights that were granted to SINA Leju prior to the effective date of the Prior Agreement.

7.2. Disclaimer. LICENSEE HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE SHARE PURCHASE AGREEMENT, THE LICENSED MARKS ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, VALIDITY, NONINFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND LICENSOR HEREBY DISCLAIMS ANY AND ALL SUCH WARRANTIES.

ARTICLE VIII INDEMNIFICATION

8.1. Indemnification by Licensor. Licensor shall defend, indemnify and hold harmless Licensee and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensee Parties") from and against any claim, suit, demand or action ("Action"), and any and all direct losses suffered or incurred by Licensee in connection with any third party claims (a) arising out of or resulting from any breach by Licensor of any provision of this Agreement or (b) that use of the Licensed Marks by Licensee in accordance with the terms and conditions of this Agreement infringes or otherwise violates a third party's Trademarks. Licensor's obligation to indemnify Licensee shall be conditioned on (a) Licensee's provision to Licensor of prompt notice of such an Action (except where any delay does not materially prejudice Licensor); (b) Licensee's reasonable cooperation with Licensor in the defense and settlement of such an Action at Licensor's cost; and (c) Licensor having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensor may not settle any Action in a manner that adversely affects Licensee without Licensee's prior written consent, not to be unreasonably withheld or delayed).

8.2. Indemnification by Licensee. Licensee shall defend, indemnify and hold harmless Licensor and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensor Parties") from and against any Action, and any and all direct losses suffered or incurred by Licensor in connection with any third party claims (a) arising out of or resulting from any breach by Licensee of any provision of this Agreement, or (b) alleging actual or alleged defects in or intellectual property infringement (other than Trademark infringement based on the Licensed Marks) by any Licensed Products. Licensee's obligation to indemnify Licensor shall be conditioned on (a) Licensor's provision to Licensee of prompt notice of such an Action (except where any delay does not materially prejudice Licensee); (b) Licensor's reasonable cooperation with Licensee in the defense and settlement of such an Action at Licensee's cost; and (c) Licensee having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensee may not settle any Action in a manner that adversely affects Licensor without Licensor's prior written consent, not to be unreasonably withheld or delayed).

10

ARTICLE IX CONFIDENTIALITY

9.1. Confidential Information. In performing its obligations under this Agreement, either Party (the “Recipient”) may obtain certain Confidential Information of the other Party. For purposes of this Agreement, “Confidential Information” shall mean information, documents and other tangible things, provided by either Party to the other, in whatever form, relating to such Party’s business and marketing, including such Party’s financial information, personal information, customer lists, product plans and marketing plans, whether alone or in its compiled form and whether marked as confidential or not. The Recipient shall maintain in confidence all Confidential Information and shall not disclose such Confidential Information to any third party without the express written consent of the other Party except to those of its employees, subcontractors, consultants, representatives and agents as are necessary in connection with activities as contemplated by this Agreement. In maintaining the confidentiality of Confidential Information, the Recipient shall exercise the same degree of care that it exercises with its own confidential information, and in no event less than a reasonable degree of care. The Recipient shall ensure that each of its employees, subcontractors, consultants, representatives and agents holds in confidence and makes no use of the Confidential Information for any purpose other than those permitted under this Agreement or otherwise required by applicable Law. Upon request by the other Party, the Recipient shall return, destroy or otherwise handle as instructed by the other Party, any documents or software containing such Confidential Information, and shall not continue to use such Confidential Information.

9.2. Exceptions. The obligation of confidentiality contained in Section 9.1 shall not apply to the extent that (a) the Recipient is required to disclose information by order or regulation of a Governmental Authority or a court of competent jurisdiction; provided, however, that, to the extent permitted by applicable Law, the Recipient shall not make any such disclosure without first notifying the other Party and allowing the other Party a reasonable opportunity to seek injunctive relief from (or a protective order with respect to) the obligation to make such disclosure; or (b) the Recipient can demonstrate that (i) the disclosed information was at the time of such disclosure to the Recipient already in (or thereafter enters) the public domain other than as a result of actions of the Recipient, its directors, officers, employees or agents in violation hereof, (ii) the disclosed information was rightfully known to the Recipient prior to the date of disclosure (other than pursuant to disclosure by the other Party pursuant to other agreements in effect between the Parties), or (iii) the disclosed information was received by the Recipient on an unrestricted basis from a source unrelated to any Party and not under a duty of confidentiality to the other Party.

ARTICLE X
GENERAL PROVISIONS

10.1. Taxes. Each Party shall be responsible for taxes that should be borne by it in accordance with applicable Law. If any Party pays any taxes that should have been borne by the other Party in accordance with Law, such other Party shall reimburse such Party within seven (7) days after its receipt of documentation evidencing such tax payment so incurred by such Party.

11

10.2. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

10.3. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given, made or received (i) on the date of delivery if delivered in person or by messenger service, (ii) on the date of confirmation of receipt of transmission by facsimile (or, the first (1st) Business Day following such receipt if (a) such date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) or (iii) on the date of confirmation of receipt if delivered by an internationally recognized overnight courier service or registered or certified mail (or, the first (1st) Business Day following such receipt if (a) such date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.3):

if to Licensor:

SINA Corporation
20/F Beijing Ideal International Plaza
No. 58 Northwest 4th Ring Road
Haidian District, Beijing, 100090
People’s Republic of China
Facsimile: +86 10 8260 7166
Attention: Head of Legal Department (Gu Haiyan)

if to Licensee:

Beijing Yisheng Leju Information Services Co., Ltd.
c/o Leju Holdings Limited
15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People’s Republic of China
+86 10 5895 1000
Attention: Chief Executive Officer

12

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower, The Landmark
12 Queen’s Road Central, Hong Kong
Facsimile: +852 3740 4727
Attention: Jonathan B. Stone, Esq. and Z. Julie Gao, Esq.

10.4. Public Announcements. Neither party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of

the other party unless otherwise required by Law or applicable stock exchange regulation, and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

10.5. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

10.6. Entire Agreement. This Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof and thereto (including the Original Agreement and the Prior Agreement).

10.7. Assignment. This Agreement and any rights or authority granted hereunder shall not be assigned or transferred by either Party, including by operation of law, merger or otherwise, without the express written consent of the other Party, provided that Licensor may assign this Agreement without consent to any of its Affiliates and Licensee may assign this Agreement without consent to SINA Leju or an Affiliate of Licensee that is controlled by SINA Leju.

10.8. Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, both Parties or (b) by a waiver in accordance with Section 10.09.

10.9. Waiver. Either Party may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the

13

representations and warranties of the other Party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. No waiver of any representation, warranty, agreement, condition or obligation granted pursuant to this Section 10.09 or otherwise in accordance with this Agreement shall be construed as a waiver of any prior or subsequent breach of such representation, warranty, agreement, condition or obligation or any other representation, warranty, agreement, condition or obligation. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

10.10. No Third Party Beneficiaries. Except for the provisions of Article VII relating to indemnified parties, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and each Leju Entity, and nothing herein, express or implied (including the provisions of Article VII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

10.11. Governing Law. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by, and construed in accordance with, the laws of the People's Republic of China (without regard to its conflicts of laws rules that would mandate the application of the laws of another jurisdiction).

10.12. Dispute Resolution. (a) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof (each, a "Dispute"), shall to the extent possible be settled through friendly consultation among the Parties hereto. The claiming Party (the "Claimant"), shall promptly notify the other Party (the "Respondent") in a dated written notice that a Dispute has arisen and describe the nature of the Dispute. Any Dispute which remains unresolved within sixty (60) days after the date of such written notice shall be submitted to the China International Economic and Trade Arbitration Commission (the "Commission") to be finally settled by arbitration in Beijing, PRC in accordance with the Commission's then effective rules (the "Rules") and this Section 10.12. The language of the arbitration shall be Mandarin Chinese.

(b) The arbitration tribunal shall consist of three (3) arbitrators. The Claimant shall appoint one (1) arbitrator, the Respondent shall appoint one (1) arbitrator, and the two (2) arbitrators so appointed shall appoint a third arbitrator. If the Claimant and the Respondent fail to appoint one (1) arbitrator, or the two (2) arbitrators appointed fail to appoint the third arbitrator within the time periods set by the then effective Rules, the relevant appointment shall be made promptly by the Commission.

(c) Any award of the arbitration tribunal established pursuant to this Section 10.12 shall be final and binding upon the Parties, and enforceable in any court of competent jurisdiction. The Parties shall use their best efforts to effect the prompt execution of any such award and shall render whatever assistance as may be necessary to this end. The prevailing Party (as determined by the arbitrators) shall be entitled to reimbursement of its costs and

14

expenses, including reasonable attorney's fees, incurred in connection with the arbitration and any judicial enforcement, unless the arbitrators determine that it would be manifestly unfair to honor this agreement of the Parties and determine a different allocation of costs.

(d) The foregoing provisions in this Section 10.12 shall not preclude any Party from seeking interim or conservatory remedies, including injunctive relief, from any court having jurisdiction to grant such relief.

10.13. No Presumption. The Parties acknowledge that each has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

10.14. **Specific Performance.** The parties hereto acknowledge and agree that irreparable damage would occur if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a party hereto may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

10.15. **Force Majeure.** Neither Party shall be liable for failure to perform any of its obligations under this Agreement during any period in which such Party cannot perform due to hacker attack, fire, flood or other natural disaster, war, embargo, riot or the intervention of any Governmental Authority, provided, however, that the Party so delayed immediately notifies the other Party of such delay. In no event shall such nonperformance by Licensee be excused due to any such event for longer than ninety (90) days.

10.16. **Counterparts.** This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

10.17. **Governmental Recordation.** Licensor shall record this Agreement at the Trademark Office of China within three (3) months after the Effective Date of this Agreement. The Parties agree to work together in good faith to modify this Agreement or enter into one or more new trademark license agreements subordinate to this Agreement as necessary in order to obtain such recordation. In the event of any conflict or inconsistency between any provision of such new trademark license agreement and the provisions set forth in the body of this Agreement, the provisions set forth in this Agreement shall control and govern. If required by local Administration for Industry and Commerce (“AIC”), each Party shall also file a copy of this Agreement with the local AIC above the county level respectively where such Party domiciles.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed by its duly authorized representatives on the date first set forth above.

/s/ Beijing SINA Internet Information Service Co., Ltd.

/s/ Beijing Yisheng Leju Information Services Co., Ltd.

EXHIBIT A

LICENSED MARKS

NON-EXCLUSIVE LICENSED MARKS

	<u>Status</u>	<u>Registration Period/Application Date</u>	<u>Registration/ Application No.</u>	<u>Category</u>
sina	Registered	10/21/2000 — 10/20/2010	1463676	35
sina □□	Registered	10/14/2000 — 10/13/2010	1459585	35
□□□	Registered	10/21/2000 — 10/20/2010	1463781	35

EXCLUSIVE LICENSED MARKS

	<u>Status</u>	<u>Registration Period/Application Date</u>	<u>Registration/ Application No.</u>	<u>Category</u>
□□□□□□(□□□)	Application	12/18/2008	7120368	35
□□□□□□	Application	12/18/2008	7120374	35
□□□□□□(□□□)				35
□□□□□□				35

AMENDED AND RESTATED SOFTWARE LICENSE AND SUPPORT SERVICES AGREEMENT

This Amended and Restated Software License and Support Services Agreement (the “Agreement”) is made and entered into on March 7, 2014, by and between SINA.com Technology (China) Co. Ltd. (SINA), a limited liability company organized under the laws of the People’s Republic of China (hereinafter “Licensor”) and Shanghai SINA Leju Information Technology Co. Ltd. (Leju), a limited liability company organized under the laws of the People’s Republic of China (“Licensee” and together with Licensor, the “Parties” and each a “Party”) and is made effective as of the Effective Date (defined below).

RECITALS

WHEREAS, Licensor owns certain software as more particularly described below that are related to the Business which it desires to license to Licensee and Licensee desires to obtain a license from Licensor to such software to use in connection with its operation of the Business on the terms and conditions set forth herein; and

WHEREAS, (i) Licensor and Licensee entered into that certain Software License Agreement dated May 8, 2008 (the “Original Agreement”); (ii) Licensor and Licensee terminated the Original Agreement as of October 21, 2009; (iii) Licensor and Licensee entered into that certain Software License and Support Agreement dated October 21, 2009 (the “Prior Agreement”); and (iv) Licensor and Licensee desire to amend and restate the Prior Agreement on the terms set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement of the Parties and the faithful performance thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

As used herein, the following terms shall have the meanings ascribed to them below.

“Action” has the meaning set forth in Section 7.1.

“Affiliate” means, when used with respect to any specified Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For the purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of

the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Agency Agreement” means that certain Amended and Restated Advertising Inventory Sale Agency Agreement by and between SINA Corporation and China Online Housing Technology Corporation, dated as of the date hereof.

“Authorized Users” means any officers, employees, authorized sublicensees, consultants or contractors of Licensee.

“Big Four International Accounting Firms” means Deloitte Touche Tohmatsu, Ernst & Young, KPMG, and PricewaterhouseCoopers.

“Business” means an online real estate media platform in the PRC that (i) provides information and updates related to real estate, home furnishing and construction in the PRC and provides real estate, home furnishing and construction advertising services, and (ii) operates a business-to-business and business-to-consumer Internet platform targeting participants in the PRC real estate industry, in each case, as currently conducted or contemplated to be conducted on the websites owned or operated by Licensee or any of Licensee’s Affiliates in the PRC.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Beijing.

“Change of Control” means an event that results in (a) E-House (China) Holdings Limited (and its controlled Affiliates) failing to control more than fifty percent (50%) of the voting rights of Leju; or (b) SINA Corporation (and its controlled Affiliates) failing to control more than ten percent (10%) of the voting rights of E-House (China) Holdings Limited.

“Claimant” has the meaning set forth in Section 9.12.

“Commission” has the meaning set forth in Section 9.12.

“Competitor” means any Person whose business includes an online portal.

“Confidential Information” has the meaning set forth in Section 8.1.

“Current Software Products” means the web blog, mailbox, pod cast, iAsk, text messaging, wireless application protocol products that are provided to end users by Licensor free of any fees and any other Software products that are provided to end users by Licensor free of any fees, in each case in the form provided to end users, as of the Effective Date or thereafter during the Term.

“Defects” has the meaning set forth in Section 4.1.

“Dispute” has the meaning set forth in Section 9.12.

“Documentation” means user documentation, technical manuals and other documentation, whether in electronic, on-line or hard copy format.

“Effective Date” means the date hereof, i.e., March 7, 2014.

“Governmental Authority” means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Improvements” has the meaning set forth in Section 2.4.

“Infrastructure” means all infrastructure necessary to (i) operate the Licensee Websites and (ii) facilitate Licensee’s use of the Licensed Software including all physical hardware containing, used in conjunction with and/or relating to the Licensed Software.

“Initial Term” has the meaning set forth in Section 5.1.

“IPO” means the initial public offering in the United States, and listing on a stock exchange located in the United States, of securities of Leju.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Leju” means Leju Holdings Limited, a company organized under the laws of Cayman Islands.

“Leju Entity” means each controlled Affiliate of Leju.

“Licensed Software” means (i) the proprietary Software used for internet content, advertising publishing and other functionality as identified on Exhibit A attached hereto; (ii) Current Software Products and the interfaces owned by Licensor and necessary to facilitate Licensee’s use of Current Software Products; (iii) Licensor Databases; (iv) Licensor Improvements; and (v) related Documentation and hardware, in each case to the extent such items (other than Licensor Improvements) exist and have been delivered to Licensee under the Original Agreement.

“Licensee Improvements” has the meaning set forth in Section

4.2. “Licensee Parties” has the meaning set forth in Section 7.1.

“Licensee Websites” means each website that is set forth in Exhibit A to the Amended and Restated Domain Name and Content License Agreement between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd. dated the date hereof.

“Licensor Databases” means the databases and compilations maintained by Licensor, including data and collections of data relating to email information, user information, advertising customer information and advertising monitoring.

“Licensor Improvements” has the meaning set forth in Section

2.4. “Licensor Parties” has the meaning set forth in Section 7.2.

“Object Code” means computer program code that is readable and useable by machines, but not generally readable by humans without reverse assembly, reverse compiling or reverse engineering.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“PRC” or “Territory” means the People’s Republic of China, excluding Hong Kong, Macau and Taiwan.

“Recipient” has the meaning set forth in Section 8.2. “Respondent” has the meaning set forth in Section 9.12.

“Rules” has the meaning set forth in Section 9.12.

“Service Levels” means the service levels (e.g., with respect to uptime, response times, etc.) to be agreed by the Parties within sixty (60) days after the Effective Date, which Service Levels shall in no event be less than the Service Levels Licensor provides to itself in connection with its own operations.

“Software” means computer programs in Object Code form, including any software implementations of algorithms, models and methodologies, data, databases, compilations and other electronic data files.

“Support Services” has the meaning set forth in Section 2.8.

“Term” has the meaning set forth in Section 5.1.

“Transition Period” has the meaning set forth in Section 2.9.

ARTICLE II
GRANT OF LICENSE

2.1. Grant of License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, a limited, nonexclusive, non-transferable (except as set forth in Section 9.7) and non-sublicensable (except as expressly set forth in this Section 2.1) license to use, operate, modify, reproduce, distribute, perform, display and create derivative works of the Licensed Software in connection with the Business during the Term. The foregoing license shall be sublicensable, without prior written

5

consent of Licensor, to any Leju Entity solely for the purpose of operating the Business in the Territory during the Term. Except as provided in Section 2.7 and Section 2.10, Licensee’s use of the Licensed Software under the terms of this Agreement shall be free of any fees. Licensee shall be responsible for the compliance of the terms and conditions of this Agreement by all of its sublicensees. Without limiting the foregoing, in the event any sublicensee undertakes any action (or inaction) that would be deemed a breach of this Agreement had Licensee taken such action (or inaction), such action (or inaction) shall be deemed a breach by Licensee under this Agreement.

2.2. Reservation of Rights. All rights in and to the Licensed Software not expressly granted herein are hereby reserved exclusively by Licensor.

2.3. Current Software Products. Notwithstanding anything in this Agreement to the contrary, Current Software Products shall not include any present or future products that are provided to end users for a fee, including fee-based mailboxes and games. If Licensee desires to obtain the rights to use fee-based products, both Parties shall use good faith efforts to negotiate commercially reasonable terms and conditions governing Licensee’s use of such fee-based products, which terms and conditions shall be at least as favorable to Licensee as the most favorable terms and conditions agreed by Licensor with an unaffiliated third party with respect to such products, taking into account all of the terms and conditions of the agreement as a whole.

2.4. Improvements. Licensee acknowledges that Licensor is under no obligation to create any improvements, modifications, translations, updates, upgrades or other derivative works to the Licensed Software (collectively, “Improvements”). In the event that Licensor creates any Improvements during the Term and makes such Improvements available to others for use or testing (the “Licensor Improvements”), Licensor shall also offer Licensee access to such Licensor Improvements on the same terms and conditions and in the same timeframe as being offered to others, free of any fees except as set forth in Section 2.7 or 2.10.

2.5. Infrastructure.

(a) Licensor shall provide to Licensee all Infrastructure that is provided to Licensee as of the Effective Date, free of any fees except as set forth in Section 2.10.

(b) In the event that Licensor implements during the Term any improvements, modifications, translations or upgrades to the Infrastructure (“Upgrades”), it shall provide (or otherwise make available) such Upgrades to Licensee no later than it implements such Upgrades in connection with its own operations, free of any fees except as set forth in Section 2.10.

2.6. Licensee Requests for Infrastructure or Upgrades. Licensee may, from time to time, request new Infrastructure or Upgrades from Licensor that are for use in connection with Licensee’s operation of the Business but that are not used by Licensor in connection with its business. The Parties shall, using reasonable best efforts and in a timely manner, discuss the terms and conditions on which Licensor can provide the requested Infrastructure or Upgrades to Licensee. If, despite such reasonable best efforts, the Parties cannot agree on the terms and conditions for the provision of such Infrastructure or Upgrades, then Licensor shall have no obligation to provide such Infrastructure or Upgrades to Licensee.

2.7. Fees. In the event E-House Research and Training Institute becomes entitled to charge, invoice, or otherwise receive from, Licensee any royalties, fees or other

6

remuneration for use of the E-House Licensed Data and Information pursuant to amendments to the Master Transaction Agreement or through other means, Licensor and Licensee shall use good faith efforts to amend this Agreement such that Licensor becomes entitled to charge, invoice, or otherwise receive fees from Licensee to use and operate the Licensed Software, such fees to be agreed upon by the Parties, provided that (i) such fees shall be commercially reasonable and (ii) such fees shall not exceed the fees charged by Licensor to unaffiliated third parties for use of the Licensed Software, taking into account any consideration received by Licensor from such third party (including, but not limited to, discounted services offerings from the third party).

2.8. Support Services. During the Term, Licensor shall continue to provide all support services to Licensee and, upon Licensee’s request, any Leju Entity, that Licensor provided to Licensee and/or any Leju Entity as of the Effective Date, including the maintenance, technical support and hardware support as described in more detail below (collectively, “Support Services”). Subject to Section 2.10, all Support Services shall be provided free of any fees. Licensor shall provide Support Services in accordance with the Service Levels.

(a) Routine Maintenance. Licensor shall be responsible for the routine maintenance of Licensed Software. Licensor shall undertake the foregoing obligation in a commercially reasonable manner and in a manner designed to minimize interruption to the Business. To the extent any scheduled maintenance of the Licensed Software would cause a material interruption to the operation of the Business of Licensee, Licensor shall inform Licensee at least thirty (30) days prior to such maintenance and shall complete such maintenance as promptly as practicable.

(b) Technical Support. Licensor shall provide Licensee with such technical support as may be required in connection with the Business from time to time including, but not limited to, performance of the following:

- i. project management services, including responding to user requests and handling user applications;
- ii. providing technical consultation to users, including user operations training and addressing operations questions;

- iii. providing users with information regarding application processing, and active and prompt communications in the event of any unexpected circumstances;
- iv. providing contact details in order to respond to user emergencies and to provide practical solutions based on the specific circumstances; and
- v. accepting and addressing user complaints and communicate investigative findings back to user.

7

(c) Infrastructure Support. Licensor shall provide support services for (i) the Infrastructure; and (ii) any Upgrades or functional replacements of any the Infrastructure implemented by Licensor during the Term. Such Infrastructure support services shall include, but not be limited to, the following:

- i. maximizing the uptime of any servers;
- ii. making upgrades to such Infrastructure as is necessary for the Business to remain current and consistent with the general standards for technology used in connection with Licensor's other businesses;
- iii. implementing in a timely manner all upgrades and modifications to such Infrastructure provided by any third party vendor of such Infrastructure, as applicable; and
- iv. ensuring that such Infrastructure is of sufficient capacity to process the data, information and products of the Business.

(d) Development Services. Licensee may, from time to time, request custom Software development services from Licensor. The Parties shall, using reasonable best efforts and in a timely manner, discuss the terms and conditions on which Licensor can provide the requested development services to Licensee. If, despite such reasonable best efforts, the Parties cannot agree on the terms and conditions under which Licensor provides such Software development services, then Licensor shall have no obligation to provide such Software development services.

2.9. Licensor's Equity Holding. Notwithstanding anything in this Agreement to the contrary, if Licensor's and its Affiliates' aggregate equity interest in E-House (China) Holdings Limited falls below twenty percent (20%) of the issued and outstanding ordinary shares of E-House (China) Holdings Limited, Licensor shall so notify Licensee. During the ninety (90) day period after Licensee's receipt of such notice ("Transition Period"), Licensee may either (i) terminate its rights to use Licensor Databases and to receive the Support Services as well as Licensee's rights under Sections 2.4, 2.5(b), 2.6 and 2.8, effective as of the last day of the Transition Period, and Licensor shall cooperate with Licensee during the Transition Period to transition the provision of the Support Services to Licensee or a third party designated by Licensee or (ii) if Licensee wishes to continue using the Licensor Databases and/or the Support Services, both Parties shall use good faith efforts to negotiate the fees payable to Licensor in connection with Licensee's continued use of the Licensor Databases and/or the Support Services, provided that such fees shall be commercially reasonable and shall be at least as favorable to Licensee as the fees for which Licensor provides the Licensor Databases and the Support Services, as applicable, to unaffiliated third parties, taking into account any consideration received by Licensor from such third party (including, but not limited to, discounted services offerings from the third party). If, despite such good faith efforts, the Parties cannot agree on such fees during the Transition Period, then Licensee's rights to use Licensor Databases and to receive the Support Services, as well as Licensee's rights under Sections 2.4, 2.5(b), 2.6 and 2.8 are terminated, effective as of the last day of the Transition Period.

2.10. Incremental Fees.

(a) To the extent that there are any reasonable, incremental costs for use of the Licensed Software or the Infrastructure, or provision of the Support Services, due to a change in the Business needs, Licensee shall reimburse Licensor for all such costs. For example, if Licensor, prior to the Effective Date, employs ten (10) full time employees dedicated to providing the Support Services and, as a result of a change in the Business, must hire an additional full time employee to provide such Support Services, Licensee shall reimburse Licensor for the costs related to such full time employee, provided that, if such full time employee also engages in work on behalf of Licensor or its Affiliates, Licensee shall reimburse Licensor on a pro rata basis only for the time spent by such full time employee in providing the Support Services to Licensee. Licensor shall provide Licensee with an invoice detailing any and all such costs and such invoice shall be paid in accordance with the terms of the invoice or such other payment terms as may be agreed to by the Parties.

(b) No more than once every year, Licensee may have an independent certified public accountant from one of the Big Four International Accounting Firms conduct an audit of the relevant portions of Licensor's books of account solely to verify the costs invoiced to Licensee under this Agreement. For purposes of such audit, Licensor shall provide access to Licensor's books of account, during business hours, to such accountant, provided Licensor shall have no less than ten (10) Business Days' prior notice of such audit. Such accountant shall be subject to a confidentiality agreement with Licensor but the accountant shall be permitted to disclose the results of the audit to Licensee. If any such audit should disclose any overpayment of costs, Licensor shall promptly reimburse Licensee such overpaid amount. If any such audit should disclose an underpayment of costs, Licensor may issue an invoice to Licensee for the underpaid amount and Licensee shall pay such invoice in accordance with the reasonable invoice terms or such other terms as may be agreed to by the Parties. Licensee shall be responsible for the costs of any such audits; provided, however, if (i) the audit results in an overpayment by Licensee of more than ten percent (10%) of the total amounts paid by Licensee to Licensor for the relevant audit period and (ii) such overpaid amount is greater than one million RMB Yuan (¥1,000,000), Licensor shall bear the cost of such audit.

2.11. Territory Restrictions. Licensee shall not host or cause the Licensed Software to be hosted outside the Territory.

2.12. Delivery or Access. In the event that Licensee identifies any Licensed Software which it does not possess or have access to as of the Effective Date, Licensee shall notify Licensor and Licensor shall promptly deliver (or provide access) to Licensee such Licensed Software.

ARTICLE III LICENSEE'S OBLIGATIONS

3.1. Proper Use. Licensee covenants that the Licensed Software shall be used only in a manner consistent with the provisions of this Agreement. Without Licensor's prior written consent, Licensee shall not transfer (except as permitted pursuant to Section 9.7) or create a security interest upon the Licensed Software or this Agreement.

9

3.2. Proprietary Legends. Licensee shall not remove or obscure any trademark, copyright notice or other proprietary or restrictive notice or legend contained or included in any or all of the Licensed Software provided by Licensor, and Licensee shall reproduce and copy all such notices and legends on all permissible copies made hereunder, including such copies as may be necessary for archival or backup purposes.

3.3. Identification. Except as required pursuant to Section 3.2, Licensee shall not, nor authorize any other Person to, advertise or otherwise identify Licensor as the developer or source of the Licensed Software.

3.4. Restrictions on Licensee's Use.

(a) Except as expressly authorized herein, Licensee shall not (a) copy, reverse engineer, decompile, reverse compile, reverse assemble or disassemble all or any portion of the Licensed Software; (b) allow access to the Licensed Software by any user or third party other than the Authorized Users; or (c) provide, disclose, divulge or make available to, or permit use of the Licensed Software by any third party.

(b) If Licensee desires to migrate operation of the Licensee Websites, including the Licensed Software, to Infrastructure owned or controlled by Licensee or a third party designated by Licensee, Licensor shall use commercially reasonable efforts to cooperate with Licensee in such efforts.

(c) Licensee shall not implement any Licensee Improvements, plug-ins or other applications that adversely impact the Licensed Software, Infrastructure, or their performance, including, but not limited to, (i) destabilizing or corrupting the Licensed Software or Infrastructure, (ii) slowing down performance of the Licensed Software or access to any of Licensor's websites, or (iii) affecting the integrity of the Licensor Databases or the data maintained in the Licensor Databases. In the event any such Licensee Improvements, plug-ins or other applications are implemented by Licensee, Licensee shall promptly remove or disable the offending Software upon notice from Licensor of the adverse impact. Without limiting the foregoing, Licensee shall notify Licensor of any Licensee Improvements, plug-ins or other applications that may adversely impact the Licensed Software, Infrastructure, or their performance prior to implementation so that Licensee and Licensor may work together in good faith to determine any potential impact of such Software and/or workarounds.

ARTICLE IV **OWNERSHIP**

4.1. Licensor Ownership. Licensee acknowledges that, as between Licensor and Licensee, Licensor is the owner of all right, title and interest, including intellectual property rights, in, to and under the Licensed Software, regardless of any technical, programming or financial assistance or cooperation provided to Licensor by or on behalf of Licensee to facilitate the operation and maintenance of the Licensed Software or the correction of any system or design errors, bugs or defects thereto ("Defects"). Licensee shall, upon the reasonable request by, and at the cost of, Licensor, take further actions and execute additional documents to establish and perfect Licensor's ownership rights in, to and under the Licensed Software. Licensee shall not contest, challenge or otherwise make any claim or take any action adverse to Licensor's ownership of or interest in the Licensed Software and any Improvements.

10

4.2. Licensee Ownership. Licensor acknowledges that, as between Licensor and Licensee, Licensee is the owner of all right, title and interest, including intellectual property rights, in, to and under any and all Improvements to the Licensed Software created by or on behalf of Licensee (including by Licensor pursuant to Section 2.8) (collectively, "Licensee Improvements"), regardless of any technical, programming or financial assistance or cooperation provided to Licensee by or on behalf of Licensor to facilitate the operation and maintenance of the Licensee Improvements or the correction of any Defects thereto but subject, in all respects, to Licensor's rights in the Licensed Software. Licensor hereby assigns all right, title and interest, including all intellectual property rights that Licensor may have or acquire in and to the Licensee Improvements to Licensee. Licensor shall, upon the reasonable request by, and at the cost of, Licensee, take further actions and execute additional documents to establish and perfect Licensee's ownership rights in, to and under the Licensee Improvements.

4.3. Licensor Improvements. Licensee hereby assigns all right, title and interest, including all intellectual property rights that Licensee may have or acquire in and to the Licensor Improvements to Licensor. Licensee shall, upon the reasonable request by, and at the cost of, Licensor, take further actions and execute additional documents to establish and perfect Licensor's ownership rights in, to and under the Licensor Improvements.

ARTICLE V **TERM AND TERMINATION**

5.1. Term. The initial term of this Agreement (the "Initial Term") shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter. Beginning twelve (12) months prior to the expiration of the Initial Term, the Parties shall use good faith efforts to negotiate an extension of the term of this Agreement (the Initial Term together with any applicable extension, the "Term").

5.2. Termination for Bankruptcy. Either Party may immediately terminate this Agreement in the event that the other Party (a) becomes insolvent or unable to pay its debts as they mature; (b) makes an assignment for the benefit of its creditors; (c) seeks relief, or if proceedings are commenced against such other Party or on its behalf, under any bankruptcy, insolvency or debtors' relief law and such proceedings have not been vacated or set aside within seven (7) days from the date of commencement thereof.

5.3. Termination for Breach.

(a) By Licensor. Licensor may terminate this Agreement at any time in the event that the Licensee is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that the Licensee has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

(b) By Licensee. Licensee may terminate this Agreement at any time in the event that the Licensor is in material default or breach of any provision of this Agreement, and, if such default or breach is capable of cure, such default or breach continues uncured for a period of thirty (30) days after receipt of written notice thereof; provided, however, that in the event that

the Licensor has in good faith commenced cure within such thirty (30) day period, but cannot practically complete such cure within such thirty (30) day period, the Parties shall negotiate a reasonable additional time to cure.

5.4. Termination for a Change of Control. Licensor may terminate this Agreement by providing prior written notice to Licensee upon the occurrence of a Change of Control.

5.5. Termination in the Event of Termination of Agency Agreement. In the event that the Agency Agreement is terminated pursuant to Section 9.02(c)(iii) or 9.02(d)(i) thereof, this Agreement shall automatically be terminated as of the effective date of the termination of the Agency Agreement and shall thereafter be of no further force or effect except as set forth in Section 5.7.

5.6. Effect of Termination. Upon termination (but not expiration) of this Agreement for any reason, Licensee shall be entitled to use the Licensed Software for a limited period of time, not to exceed ninety (90) days, during which it shall diligently work to transition to another solution. Upon expiration of this Agreement or of such 90-day period, as applicable, Licensee shall immediately discontinue all use of and access to the Licensed Software, including any archival and maintenance copies, and at Licensor's request, destroy or promptly return all portions of the Licensed Software to Licensor and certify that such action was taken.

5.7. Survival. The duties and obligations of the Parties under Articles IV, V, VII, VIII and IX and Section 6.3 of this Agreement shall survive any termination or expiration of this Agreement.

ARTICLE VI **REPRESENTATIONS AND WARRANTIES**

6.1. Representations and Warranties.

(a) By Each Party. Each of Licensee and Licensor represents and warrants to the other Party that: (a) it is a corporation duly incorporated, validly existing and in good standing under the applicable Law; (b) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are within its corporate powers; (c) it has taken necessary steps to obtain authority and all necessary consents and approvals of any other third party and Governmental Authority to execute and perform this Agreement; (d) this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the rights of creditors' generally or by general principals of equity; and (e) the execution, delivery and performance of this Agreement will not conflict with or result in any breach of its charter or certificate of incorporation, bylaws, or other governing document, or any instrument, obligation, or contract to which it or its properties is bound.

(b) By Licensor. Licensor represents and warrants that:

i. It has the right to grant the licenses granted to Licensee hereunder;

ii. The Licensed Software, the Infrastructure and the Support Services together constitute all of the Software, Infrastructure and Support Services provided by Licensor to Licensee as of the effective date of the Prior Agreement; and

iii. The rights granted hereunder in connection with the Licensed Software and Infrastructure are substantially similar to the rights that were provided to Licensee in respect of the Licensed Software and Infrastructure prior to the effective date of the Prior Agreement.

6.2. No Other Warranties. In no event shall Licensor be liable to Licensee for any failure of the Licensed Software if any component of the Licensed Software has been (i) installed or operated by Licensee in a manner inconsistent with the provisions of this Agreement or modified by a Person other than Licensor (including Licensee) without the written approval of Licensor; (ii) damaged by negligence or misuse by other than Licensor or by fire, casualty, or other external causes; or (iii) subjected to unusual physical or electrical stress.

6.3. Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES AND UNDERTAKINGS SET FORTH IN THIS AGREEMENT OR THE SHARE PURCHASE AGREEMENT, THE LICENSED SOFTWARE IS LICENSED "AS IS," AND LICENSOR DISCLAIMS ALL WARRANTIES RESPECTING THE LICENSED SOFTWARE PROVIDED UNDER THIS AGREEMENT, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, VALIDITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES THAT MAY BE OTHERWISE IMPLIED FROM ANY COURSE OF DEALING OR COURSE OF PERFORMANCE OR USAGE. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE SHARE PURCHASE AGREEMENT, LICENSEE ASSUMES THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE LICENSED SOFTWARE AND ANY RESULTS DERIVED THEREFROM.

ARTICLE VII **INDEMNIFICATION**

7.1. Indemnification by Licensor. Licensor shall defend, indemnify and hold harmless Licensee and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensee Parties") from and against any claim, suit, demand or action ("Action"), and any and all direct losses suffered or incurred by Licensee in connection with any third party claims (a) arising out of or resulting from any breach by Licensor of any provision of this Agreement, or (b) that Licensee's use of the Licensed Software infringes on any intellectual property rights of such third party, provided, however, that Licensee's use is consistent with the terms of this Agreement and that the Action is not caused by the use of the Licensed Software or any component thereof in combination with any other system, equipment or Software where but for such use, the Action for infringement would not lie. Licensor's obligation to indemnify Licensee shall be conditioned on (a) Licensee's provision to Licensor of prompt notice of such an Action (except where any

delay does not materially prejudice Licensor); (b) Licensee's reasonable cooperation with Licensor in the defense and settlement of such an Action at Licensor's cost; and (c) Licensor having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensor may not settle

any Action in a manner that adversely affects Licensee without Licensee's prior written consent, not to be unreasonably withheld or delayed).

7.2. Indemnification by Licensee. Licensee shall defend, indemnify and hold harmless Licensor and its Affiliates, and their respective officers, directors, employees, agents, shareholders, successors and assigns, (collectively, the "Licensor Parties") from and against any Action, and any and all direct losses suffered or incurred by Licensor in connection with any third party claims arising out of or resulting from any breach by Licensee of any provision of this Agreement. Licensee's obligation to indemnify Licensor shall be conditioned on (a) Licensor's provision to Licensee of prompt notice of such an Action (except where any delay does not materially prejudice Licensee); (b) Licensor's reasonable cooperation with Licensee in the defense and settlement of such an Action at Licensee's cost; and (c) Licensee having exclusive control of the defense, settlement and/or compromise of such an Action (provided that Licensee may not settle any Action in a manner that adversely affects Licensor without Licensor's prior written consent, not to be unreasonably withheld or delayed).

7.3. Infringement. Licensor shall have the exclusive right, but not the obligation, with respect to the Licensed Software to prosecute claims of infringement, misappropriation or similar claims that stem from the activities of a third party. In the event that Licensor elects to bring any action, Licensee shall reasonably assist Licensor at Licensor's cost in such action if so requested, and shall lend its name to such action if requested by Licensor or required by applicable Law. No settlement of any such action which materially restricts the scope of, or materially and adversely affects the enforceability of, any intellectual property rights in the Licensed Software may be entered into by Licensor without the prior written consent of Licensee, which consent shall not unreasonably withheld or delayed. All costs and expenses incurred in an action brought by Licensor shall be borne by Licensor and all recoveries in such an action shall be for the benefit of Licensor.

7.4. Compliance with Laws. Licensee shall not use the Licensed Software in contravention of any applicable Law.

ARTICLE VIII CONFIDENTIALITY

8.1. Licensed Software. (a) Licensee acknowledges that the Licensed Software is Confidential Information of Licensor. For purposes of this Agreement, "Confidential Information" shall mean information, documents and other tangible things, provided by either Party to the other, in whatever form, relating to such Party's business and marketing, including such Party's financial information, personal information, customer lists, product plans and marketing plans, whether alone or in its compiled form and whether marked as confidential or not, and, for the avoidance of doubt, Licensed Software shall be deemed to be Confidential Information of Licensor.

8.2. Confidential Information. In connection with this Agreement, either Party (the "Recipient") may obtain certain Confidential Information of the other Party. The Recipient shall maintain in confidence all Confidential Information and shall not disclose such Confidential Information to any third party without the express written consent of the other Party except to those of its employees, subcontractors, consultants, representatives and agents as are necessary in

connection with activities as contemplated by this Agreement. In maintaining the confidentiality of Confidential Information, the Recipient shall exercise the same degree of care that it exercises with its own confidential information, and in no event less than a reasonable degree of care. The Recipient shall ensure that each of its employees, subcontractors, consultants, representatives and agents holds in confidence and makes no use of the Confidential Information for any purpose other than those permitted under this Agreement or otherwise required by applicable Law. Upon request by the other Party, the Recipient shall return, destroy or otherwise handle as instructed by the other Party, any documents or software containing such Confidential Information, and shall not continue to use such Confidential Information.

8.3. Exceptions. The obligation of confidentiality contained in Section 8.2 shall not apply to the extent that (i) the Recipient is required to disclose information by order or regulation of a Governmental Authority or a court of competent jurisdiction; provided, however, that, to the extent permitted by applicable Law, the Recipient shall not make any such disclosure without first notifying the other Party and allowing the other Party a reasonable opportunity to seek injunctive relief from (or a protective order with respect to) the obligation to make such disclosure; or (ii) the Recipient can demonstrate that (a) the disclosed information was at the time of such disclosure to the Recipient already in (or thereafter enters) the public domain other than as a result of actions of the Recipient, its directors, officers, employees or agents in violation hereof, (b) the disclosed information was rightfully known to the Recipient prior to the date of disclosure (other than pursuant to disclosure by the other Party pursuant to other agreements in effect between the Parties), or (c) the disclosed information was received by the Recipient on an unrestricted basis from a source unrelated to any Party and not under a duty of confidentiality to the other Party.

ARTICLE IX GENERAL PROVISIONS

9.1. Taxes. Each Party shall be responsible for taxes that should be borne by it in accordance with applicable Law. If any Party pays any taxes that should have been borne by the other Party in accordance with Law, such other Party shall reimburse such Party within seven (7) days after its receipt of documentation evidencing such tax payment so incurred by such Party.

9.2. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.3. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given, made or received (i) on the date of delivery if delivered in person or by messenger service, (ii) on the date of confirmation of receipt of transmission by facsimile (or, the first (1st) Business Day following such receipt if (a) such date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) or (iii) on the date of confirmation of receipt if delivered by an internationally recognized overnight courier service or registered or certified mail (or, the first (1st) Business Day following such receipt if (a) such date of confirmation is not a Business Day or (b) confirmation of receipt is given after 5:00 p.m., Beijing time) to the respective parties hereto at

the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.3):

if to Licensor:

SINA Corporation
20/F Beijing Ideal International Plaza
No. 58 Northwest 4th Ring Road
Haidian District, Beijing, 100090
People's Republic of China
Facsimile: +86 10 8260 7166
Attention: Head of Legal Department (Gu Haiyan)

if to Licensee:

Shanghai SINA Leju Information Technology Co. Ltd.
c/o Leju Holdings Limited
15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People's Republic of China
+86 10 5895 1000
Attention: Chief Executive Officer

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower, The Landmark
12 Queen's Road Central, Hong Kong

Facsimile: +852 3740 4727
Attention: Jonathan B. Stone, Esq. and Z. Julie Gao, Esq.

9.4. **Public Announcements.** Neither party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other party unless otherwise required by Law or applicable stock exchange regulation, and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

9.5. **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

9.6. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof and thereto (including the Original Agreement and the Prior Agreement).

9.7. **Assignment.** This Agreement and any rights or authority granted hereunder shall not be assigned or transferred by either Party, including by operation of law, merger or otherwise, without the express written consent of the other Party, provided that Licensor may assign this Agreement without consent to any of its Affiliates and Licensee may assign this Agreement without consent to an Affiliate that is controlled by Licensee.

9.8. **Amendment.** This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, both Parties or (b) by a waiver in accordance with Section 9.9.

9.9. **Waiver.** Either Party may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties of the other Party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. No waiver of any representation, warranty, agreement, condition or obligation granted pursuant to this Section 9.9 or otherwise in accordance with this Agreement shall be construed as

a waiver of any prior or subsequent breach of such representation, warranty, agreement, condition or obligation or any other representation, warranty, agreement, condition or obligation. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

9.10. **No Third Party Beneficiaries.** Except for the provisions of Article VII relating to indemnified parties, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and each Leju Entity, and nothing herein, express or implied (including the provisions of Article VII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

9.11. Governing Law. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by, and construed in accordance with, the laws of the People's Republic of China (without regard to its conflicts of laws rules that would mandate the application of the laws of another jurisdiction).

9.12. Dispute Resolution. (a) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof (each, a "Dispute"), shall to the extent possible be settled through friendly consultation among the Parties hereto. The claiming Party (the "Claimant") shall promptly notify the other Party (the "Respondent") in a dated written notice that a Dispute has arisen and describe the nature of the Dispute. Any Dispute which remains unresolved within sixty (60) days after the date of such written notice shall be submitted to the China International Economic and Trade Arbitration Commission (the "Commission") to be finally settled by arbitration in Beijing, PRC in accordance with the Commission's then effective rules (the "Rules") and this Section 9.12. The language of the arbitration shall be Mandarin Chinese.

(b) The arbitration tribunal shall consist of three (3) arbitrators. The Claimant shall appoint one (1) arbitrator, the Respondent shall appoint one (1) arbitrator, and the two (2) arbitrators so appointed shall appoint a third arbitrator. If the Claimant and the Respondent fail to appoint one (1) arbitrator, or the two (2) arbitrators appointed fail to appoint the third arbitrator within the time periods set by the then effective Rules, the relevant appointment shall be made promptly by the Commission.

(c) Any award of the arbitration tribunal established pursuant to this Section 9.12 shall be final and binding upon the Parties, and enforceable in any court of competent jurisdiction. The Parties shall use their best efforts to effect the prompt execution of any such award and shall render whatever assistance as may be necessary to this end. The prevailing Party (as determined by the arbitrators) shall be entitled to reimbursement of its costs and expenses, including reasonable attorney's fees, incurred in connection with the arbitration and any judicial enforcement, unless the arbitrators determine that it would be manifestly unfair to honor this agreement of the Parties and determine a different allocation of costs.

18

(d) The foregoing provisions in this Section 9.12 shall not preclude any Party from seeking interim or conservatory remedies, including injunctive relief, from any court having jurisdiction to grant such relief.

9.13. No Presumption. The Parties acknowledge that each has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

9.14. Specific Performance. The parties hereto acknowledge and agree that irreparable damage would occur if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a party hereto may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

9.15. Force Majeure. Neither Party shall be liable for failure to perform any of its obligations under this Agreement during any period in which such Party cannot perform due to hacker attack, fire, flood or other natural disaster, war, embargo, riot or the intervention of any Governmental Authority, provided, however, that the Party so delayed immediately notifies the other Party of such delay. In no event shall such nonperformance by Licensee be excused due to any such event for longer than ninety (90) days.

9.16. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

9.17. Termination of Original Agreement. Each Party agrees that the Original Agreement is hereby terminated as of the effective date of the Prior Agreement and shall be of no further force or effect and, for the avoidance of doubt, no provisions of the Original Agreement survive such termination.

[SIGNATURES ON NEXT PAGE]

19

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed by its duly authorized representatives on the date first set forth above.

/s/ SINA.com Technology (China) Co. Ltd.

/s/ Shanghai SINA Leju Information Technology Co. Ltd.

20

EXHIBIT A

LICENSED SOFTWARE

Content Publishing

Sales Management

Procurement Reimbursement

Financial management Flow

statistics

Monitoring and Censoring

MASTER TRANSACTION AGREEMENT
MASTER TRANSACTION AGREEMENT

BETWEEN

E-HOUSE (CHINA) HOLDINGS LIMITED

and

LEJU HOLDINGS LIMITED

Dated as of March 10, 2014

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS	2
1.1 Defined Terms	2
ARTICLE 2. DOCUMENTS AND ITEMS TO BE DELIVERED PRIOR TO F-1 FILING	6
2.1 Documents to be delivered by E-House	6
2.2 Documents to be delivered by Leju	7
ARTICLE 3. THE IPO AND ACTIONS PENDING THE IPO	7
3.1 Transactions prior to the IPO	7
3.2 Cooperation	8
ARTICLE 4. COVENANTS AND OTHER MATTERS	8
4.1 Other Agreements and Instruments	8
4.2 Further Instruments	8
4.3 Agreement for Exchange of Information	9
4.4 Auditors and Audits; Financial Statements; Accounting Matters	11
4.5 Confidentiality	15
4.6 Privileged Matters	18
4.7 Future Litigation and Other Proceedings	21
4.8 Mail and other Communications	21
4.9 Certain Services to be Provided by E-House Research and Training Institute	21
4.10 Other Inter-Company Services Agreements	22
4.11 Payment of Expenses	22
ARTICLE 5. MUTUAL RELEASES; INDEMNIFICATION	23
5.1 Release of Claims	23
5.2 Indemnification by Leju	23
5.3 Indemnification by E-House	25

5.4	Procedures for Defense, Settlement and Indemnification of the Third Party Claims	26
5.5	Additional Matters	27
5.6	Survival of Indemnities	27
ARTICLE 6.	DISPUTE RESOLUTION	28
6.1	Dispute Resolution	28
ARTICLE 7.	MISCELLANEOUS	29
7.1	Consent of E-House	29
7.2	Limitation of Liability	29
7.3	Entire Agreement	29
7.4	Governing Law and Jurisdiction	29
7.5	Termination; Amendment	30
7.6	Notices	30
7.7	Counterparts	31
7.8	Binding Effect; Assignment	31
7.9	Severability	31
7.10	Failure or Indulgence not Waiver; Remedies Cumulative	31
7.11	Authority	31
7.12	Interpretation	31
7.13	Conflicting Agreements	32
7.14	Third Party Beneficiaries	32

MASTER TRANSACTION AGREEMENT

This Master Transaction Agreement is dated as of March 10, 2014, by and between E-House (China) Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**E-House**”), and Leju Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**Leju**”) (each of E-House and Leju a “**Party**” and, together, the “**Parties**”).

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Article I hereof.

R E C I T A L S

WHEREAS, E-House is the registered and beneficial owner of all of the issued and outstanding Ordinary Shares of Leju;

WHEREAS, E-House has been engaged in the Leju Business through Leju and/or Leju’s subsidiaries and VIEs, as more fully described in a draft Registration Statement on Form F-1 confidentially submitted for review and comment by the SEC under the Securities Act (as so submitted and as amended from time to time prior to the Live Filing Date, the “**Draft IPO Registration Statement**”) to be filed publicly with the SEC via its EDGAR system (the date of such public filing, the “**Live Filing Date**”) following the substantial completion of such review and comment and as financial market conditions permit (as so filed, and as amended thereafter from time to time, the “**IPO Registration Statement**”);

WHEREAS, prior to the date hereof, all the then existing assets and liabilities in connection with the Leju Business have already been transferred to or assumed by Leju and/or its subsidiaries and VIEs;

WHEREAS, the Parties currently contemplate that Leju will make an initial public offering (“**IPO**”) pursuant to the IPO Registration Statement;

WHEREAS, the Parties intend in this Agreement, including the Exhibits and Schedules hereto, to set forth and memorialize the principal arrangements between E-House and Leju regarding the relationship of the Parties from and after the filing of the IPO Registration Statement and the consummation of the IPO; and

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1. DEFINITIONS.

1.1 Defined Terms. The following capitalized terms have the meanings given to them in this Section 1.1:

“Action” means any demand, action, suit, countersuit, claim, counterclaim, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal.

“ADSs” has the meaning set forth in Section 3.1(c) of this Agreement.

“Agreement” means this Master Transaction Agreement, together with the Schedules and Exhibits hereto, as the same may be amended from time to time in accordance with the provisions hereof.

“Confidential Business Information” has the meaning set forth in Section 4.5(b)(iii) of this Agreement.

“Confidential Information” has the meaning set forth in Section 4.5(b)(i) of this Agreement.

“Confidential Technical Information” has the meaning set forth in Section 4.5(b)(ii) of this Agreement.

“Contract” means any contract, agreement, lease, license, sales order, purchase order, instrument or other commitment that is binding on any Person or any part of its property under applicable law.

“Control Ending Date” means the earlier of (i) the first date upon which members of the E-House Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Leju and (ii) the first date upon which E-House, collectively with the other members of the E-House Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Leju (for purposes of this clause (ii), without considering holdings of institutional investors that have acquired Leju securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Leju).

“Customized Services” has the meaning set forth in Section 4.9(a) of this Agreement.

“Direct Costs” has the meaning set forth in Section 4.10 of this Agreement.

“Dispute” has the meaning set forth in Section 6.1(a) of this Agreement.

“Dispute Resolution Commencement Date” has the meaning set forth in Section 6.1(a) of this Agreement.

2

“Draft IPO Registration Statement” has the meaning set forth in the recitals to this Agreement.

“E-House” has the meaning set forth in the preamble to this Agreement.

“E-House’s Auditors” has the meaning set forth in Section 4.4 (a)(i) of this Agreement.

“E-House Business” means any business that is conducted by E-House and its subsidiaries and VIEs and described in its periodic filings with the SEC, other than the Leju Business.

“E-House Group” means E-House and its subsidiaries and VIEs, other than Leju and its subsidiaries and VIEs.

“E-House Indemnitees” means E-House and its subsidiaries and VIEs (excluding Leju and its subsidiaries and VIEs) and each of their respective directors, officers and employees.

“E-House Liabilities” means (without duplication) the following Liabilities:

- (i) all Liabilities, whether arising before, on or after the Live Filing Date, that relate to, arise or result from the operation of the E-House Business, other than Leju Liabilities; and
- (ii) Liabilities of E-House and its subsidiaries and VIEs under this Agreement or any of the Inter-Company Agreements.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Governmental Authority” shall mean any national, state or local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

“Indemnifying Party” means any party which may be obligated to provide indemnification to an Indemnitee pursuant to Section 5.2 or Section 5.3 hereof or any other section of this Agreement or any Inter-Company Agreement.

“Indemnitee” means any party which may be entitled to indemnification from an Indemnifying Party pursuant to Section 5 hereof or any other section of this Agreement or any Inter-Company Agreement.

“Indirect Costs” has the meaning set forth in Section 4.10 of this Agreement.

“Information” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium,

3

including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

“Inter-Company Agreements” means the Offshore Transitional Services Agreement, the Onshore Transitional Services Agreement and the Non-Competition Agreement.

“IPO” has the meaning set forth in the recitals to this Agreement.

“IPO Registration Statement” has the meaning set forth in the recitals to this Agreement.

“Leju” has the meaning set forth in the preamble to this Agreement.

“Leju’s Auditors” has the meaning set forth in Section 4.4(a)(i) of this Agreement.

“Leju Balance Sheet” means Leju’s unaudited consolidated balance sheet as of the end of the most recently completed fiscal quarter prior to the Live Filing Date.

“Leju Business” means the provision of real estate e-commerce, online advertising and listing services as currently conducted or contemplated to be conducted by the Leju Group anywhere in the world, as more completely described in the IPO Registration Statement.

“Leju Indemnitees” means Leju and its subsidiaries and VIEs and each of their respective directors, officers and employees.

“Leju Liabilities” means (without duplication) the following Liabilities:

- (iii) all Liabilities reflected in the Leju Balance Sheet;
- (iv) all Liabilities of E-House or its subsidiaries and VIEs that arise after the date of the Leju Balance Sheet that would be reflected in a Leju balance sheet as of the date of such Liabilities, if such balance sheet was prepared using the same principles and accounting policies under which the Leju Balance Sheet was prepared;

4

- (v) all Liabilities that should have been reflected in the Leju Balance Sheet but are not reflected in the Leju Balance Sheet due to mistake or unintentional omission;
- (vi) all Liabilities, whether arising before, on or after the Live Filing Date, that relate to, arise or result from: (1) the operation of the Leju Business or (2) the operation of any business conducted by Leju and its subsidiaries and VIEs at any time after the Live Filing Date; and
- (vii) Liabilities of Leju and its subsidiaries and VIEs under this Agreement or any of the Inter-Company Agreements.

“Liabilities” means all debts, liabilities, guarantees, assurances, commitments and obligations, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any Contract or tort based on negligence or strict liability) and whether or not the same would be required by U.S. GAAP to be reflected in financial statements or disclosed in the notes thereto.

“Live Filing Date” has the meaning set forth in the recitals to this Agreement.

“Loss” and “Losses” mean any and all damages, losses, deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including, without limitation, the costs and expenses of any and all Actions and demands, assessments, judgments, settlements and compromises relating thereto and the reasonable costs and expenses of attorneys’, accountants’, consultants’ and other professionals’ fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), but excluding punitive damages (other than punitive damages awarded to any third party against an indemnified party).

“Non-Competition Agreement” has the meaning set forth in Section 2.1 of this Agreement.

“Offshore Transitional Services Agreement” has the meaning set forth in Section 2.1 of this Agreement.

“Onshore Transitional Services Agreement” has the meaning set forth in Section 2.1 of this Agreement.

“Ordinary Shares” means the shares of Leju, par value \$0.001 per share (including shares represented by ADSs and held of record by the depository bank for the ADSs).

“Party” or “Parties” has the meaning set forth in the preamble of this Agreement.

5

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

“Privileges” has the meaning set forth in Section 4.6(a) of this Agreement.

“Privileged Information” has the meaning set forth in Section 4.6(a) of this Agreement.

“Regular Services” has the meaning set forth in Section 4.9(a) of this Agreement.

“Rule 10A-3(b)(2)” means Rule 10A-3(b)(2) (or any successor rule to similar effect) promulgated under the Exchange Act.

“SEC” means the U.S. Securities and Exchange Commission.

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

“Third Party Claim” has the meaning set forth in Section 5.4(a) of this Agreement.

“Underwriters” has the meaning set forth in Section 3.1(a) of this Agreement.

“Underwriting Agreement” has the meaning set forth in Section 3.1(a) of this Agreement.

“U.S. GAAP” means generally accepted accounting principles in the United States as in effect from time to time.

“VIE” of any Person means any entity that controls, is controlled by, or is under common control with such Person and is deemed to be a variable interest entity consolidated with such Person for purposes of U.S. GAAP. As used herein, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

ARTICLE 2. DOCUMENTS AND ITEMS TO BE DELIVERED PRIOR TO F-1 FILING.

2.1 Documents to be delivered by E-House. E-House has delivered and its subsidiaries have delivered, as appropriate, or E-House will deliver, or will cause its subsidiaries to deliver, as appropriate, prior to the Live Filing Date, to Leju: (a) a duly executed Offshore Transitional Services Agreement, substantially in the form attached to the Draft IPO Registration Statement as an exhibit, with such changes, if any, to such form as may be agreed to by the Parties prior to such execution (the “**Offshore Transitional Services Agreement**”); (b) a duly executed Onshore Transitional Services Agreement, substantially in

6

the form attached to the Draft IPO Registration Statement as an exhibit, with such changes, if any, to such form as may be agreed to by the Parties prior to such execution (the “**Offshore Transitional Services Agreement**”); (b) a duly executed Onshore Transitional Services Agreement, substantially in the form attached to the Draft IPO Registration Statement as an exhibit, with such changes, if any, to such form as may be agreed to by the Parties prior to such execution (the “**Onshore Transitional Services Agreement**”); (c) a duly executed Non-Competition Agreement, substantially in the form attached to the Draft IPO Registration Statement as an exhibit, with such changes, if any, to such form as may be agreed to by the Parties prior to such execution (the “**Non-Competition Agreement**”); and (d) such other agreements, documents or instruments as the Parties may agree are necessary or desirable in order to achieve the purposes hereof. For purposes of this Agreement, Leju and its subsidiaries and VIEs will not be considered subsidiaries and VIEs of E-House.

2.2 Documents to be delivered by Leju. Leju has delivered and its subsidiaries and VIEs have delivered, as appropriate, or Leju will deliver, or will cause its subsidiaries and VIEs to deliver, as appropriate, prior to the Live Filing Date, to E-House or its subsidiaries, as appropriate: (a) in each case where Leju or any of its subsidiaries or VIEs is a party to any agreement or instrument referred to in Section 2.1, a duly executed counterpart of such agreement or instrument; and (b) such other agreements, documents or instruments as the Parties may agree are necessary or desirable in order to achieve the purposes hereof.

ARTICLE 3. THE IPO AND ACTIONS PENDING THE IPO.

3.1 Transactions prior to the IPO. Subject to the occurrence of the events described in this Article III, the Parties intend to consummate the IPO and to take, or cause to be taken, the actions specified in this Section 3.1.

(a) Registration Statement. Leju has submitted or plans to submit on a confidential basis for review by the SEC the Draft IPO Registration Statement, and intends to submit such amendments or supplements thereto as may be requested by the SEC staff in connection with such review and agreed to by Leju, and subsequently to file with the SEC the IPO Registration Statement and make such amendments and supplements thereto as may be necessary or desirable in order to cause the same to comply with the Securities Act and other applicable law, to become and remain effective under the Securities Act, or as may be requested by the representatives of the underwriters for the IPO (the “**Underwriters**”), including, without limitation, filing such amendments or supplements to the IPO Registration Statement as may be required by the underwriting agreement to be entered into among Leju and the Underwriters (the “**Underwriting Agreement**”) following the effectiveness of the IPO Registration Statement under the Securities Act.

(b) Underwriting Agreement. Following the effectiveness of the IPO Registration Statement, Leju will enter into the Underwriting Agreement, which shall in form and substance be satisfactory to Leju, as determined by its board of directors or authorized designees, as appropriate, and Leju shall comply with its obligations thereunder.

7

(c) NASDAQ Global Market or NYSE Listing. Leju plans to prepare, file and have approved an application for listing on the NASDAQ Global Market or the New York Stock Exchange of the American depositary shares, representing Ordinary Shares, to be offered and sold in the IPO (the “**ADSs**”).

3.2 Cooperation. E-House and Leju shall each consult with, and cooperate in all respects with, the other in connection with the marketing, including any roadshow presentations, and pricing of the ADSs and shall take any and all actions as may be reasonably necessary or desirable to consummate the IPO as contemplated by the IPO Registration Statement and the Underwriting Agreement.

ARTICLE 4. COVENANTS AND OTHER MATTERS.

4.1 Other Agreements and Instruments. Each of the Parties agrees to execute or cause to be executed by the appropriate parties and deliver, as appropriate, such other agreements, instruments and other documents as may be necessary or desirable in order to effect the purposes of this Agreement and the Inter-Company Agreements.

4.2 Further Instruments. (a) To the extent it has not been done prior to the date hereof, E-House will execute and deliver, and will cause its subsidiaries to execute and deliver, to Leju and/or its subsidiaries and VIEs, as the case may be, such instruments of transfer, conveyance, assignment, substitution and confirmation, and will take such action as may be reasonably necessary or desirable in order to transfer, convey and assign to Leju and/or its subsidiaries and VIEs and confirm Leju's and/or its subsidiaries' and VIEs' title to all assets, rights, interests and other things of value used in or necessary for the conduct and operation of the Leju Business on or prior to the Live Filing Date or to be transferred or licensed to Leju and/or its subsidiaries and VIEs pursuant to this Agreement or any document referred to herein, to put Leju and its subsidiaries and VIEs in actual possession and operating control thereof and to permit Leju and its subsidiaries and VIEs to exercise all rights with respect thereto (including, without limitation, rights under Contracts and other arrangements as to which the consent of any third party to the transfer thereof have not previously been obtained) relating to the Leju Business; *provided, however*, that in the absence of such execution and delivery by E-House and/or its subsidiaries, such execution and delivery shall be deemed for all purposes to have occurred subject only to Leju's obligation to pay to E-House or its applicable subsidiary an amount equal to the book value thereof to the extent not previously so paid.

(b) E-House will execute and deliver, and will cause its appropriate subsidiaries to execute and deliver, to Leju and/or its subsidiaries and VIEs, as the case may be, all instruments, assumptions, novations, undertakings, substitutions or other documents and take such other action as may be reasonably necessary or desirable in order to have E-House and/or its

8

subsidiaries, as the case may be, fully and unconditionally assume and discharge the E-House Liabilities; *provided, however*, that in the absence of such execution and delivery by E-House and/or such appropriate subsidiaries, such execution and delivery shall be deemed for all purposes to have occurred.

(c) Leju will, and will cause its appropriate subsidiaries and VIEs to, execute and deliver to E-House and its subsidiaries all instruments, assumptions, novations, undertakings, substitutions or other documents and take such other action as may be reasonably necessary or desirable in order to have Leju and/or its subsidiaries and VIEs, as the case may be, fully and unconditionally assume and discharge the Leju Liabilities; *provided, however*, that in the absence of such execution and delivery by Leju and/or such appropriate subsidiaries and VIEs, such execution and delivery shall be deemed for all purposes to have occurred.

(d) Except as hereinabove provided, neither E-House, Leju, nor their respective subsidiaries and VIEs shall be obligated, in connection with the foregoing matters set forth in this Section, to expend money other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, unless reimbursed by the other relevant Party. Furthermore, each Party, at the request of the other Party hereto, shall execute and deliver such other instruments and do and perform such other acts and things as may be necessary or desirable for effecting completely the consummation of the transactions contemplated hereby.

4.3 Agreement for Exchange of Information. (a) Generally. Each of the Parties agrees to provide, or cause to be provided, to the other Party, at any time, promptly after written request therefor, all reports and other Information regularly provided by one Party to the other Party prior to the Live Filing Date and any Information in the possession or under the control of such Party to the extent reasonably requested by the requesting Party (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities laws) by a Governmental Authority having jurisdiction over the requesting Party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or other similar requirements, (iii) to comply with its obligations under this Agreement or any Inter-Company Agreement or (iv) at any time after the Live Filing Date to the extent such Information and cooperation are necessary to comply with such reporting, filing and disclosure obligations, for the preparation of financial statements or completing an audit, and as reasonably necessary to conduct the ongoing businesses of E-House or Leju, as the case may be. Each of the Parties agrees to make their respective personnel available to discuss the Information exchanged pursuant to this Section 4.3. In the event that any Party determines that any such provision of Information or other actions

9

contemplated by this Section 4.3 could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege, the Parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence

(b) Internal Accounting Controls; Financial Information. After the Live Filing Date, (i) each Party shall maintain in effect at its own cost and expense adequate systems and controls for its business to the extent necessary to enable the other Party to satisfy its reporting, tax return, accounting, audit and other obligations, and (ii) each Party shall provide, or cause to be provided, to the other Party and its subsidiaries and VIEs in such form as such requesting Party shall request, at no charge to the requesting Party, all financial and other data and information as the requesting Party determines necessary or advisable in order to prepare its financial statements and reports or filings with any Governmental Authority.

(c) Ownership of Information. Any Information owned by a Party that is provided to a requesting Party pursuant to this Section 4.3 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

(d) Record Retention. To facilitate the possible exchange of Information pursuant to this Section 4.3 and other provisions of this Agreement, each Party agrees to use its reasonable best efforts for a period of ten (10) years to retain all Information in its respective possession or control substantially in accordance with its respective record retention policies and/or practices as in effect on the Live Filing Date, and for such longer period as may be required by any Governmental Authority, any litigation matter, any applicable law or any Inter-Company Agreement. However, at any time after such ten (10)-year period each Party may amend its respective record retention policies at such Party's discretion; *provided, however*, that the amending Party must give thirty (30) days prior written notice of such change in the policy to the other

Party. No Party will destroy, or permit any of its subsidiaries or VIEs to destroy, any Information that exists on the Live Filing Date (other than Information that is permitted to be destroyed under the current respective record retention policies of each Party) and that falls under the categories listed in Section 4.3(a), without first notifying the other Party of the proposed destruction and giving the other Party the opportunity to take possession or make copies of such Information prior to such destruction.

(e) Limitation of Liability. Each Party will use its reasonable best efforts to ensure that Information provided to the other Party hereunder is accurate and complete; *provided, however*, that no Party shall have any liability to the other Party if any Information exchanged or provided pursuant to this

10

Section 4.3 is found to be inaccurate, in the absence of gross negligence, bad faith, or willful misconduct by the Party providing the Information. No Party shall have any liability to the other Party if any Information is destroyed or lost after the relevant Party has complied with the provisions of Section 4.3(d).

(f) Other Agreements Providing For Exchange of Information. The rights and obligations granted under this Section 4.3 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in this Agreement and any Inter-Company Agreement.

(g) Production of Witnesses; Records; Cooperation. For a period of five (5) years after the Control Ending Date, and except in the case of a legal or other proceeding by one Party against the other Party, each Party shall use its reasonable best efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of such Party as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such individual (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any legal, administrative or other proceeding in which the requesting Party may from time to time be involved, regardless of whether such legal, administrative or other proceeding is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

4.4 Auditors and Audits; Financial Statements; Accounting Matters. Each Party agrees that:

(a) Selection of Auditors.

(i) Until the first E-House fiscal year end occurring after the Control Ending Date, Leju shall use its reasonable best efforts to select the independent registered public accounting firm used by E-House (“E-House’s Auditors” and, for the avoidance of doubt, should E-House at any time change the independent registered public accounting firm serving as its auditors, “E-House’s Auditors” shall thereafter mean the new firm serving as E-House’s auditors) to serve as its auditors (“Leju’s Auditors”) for purposes of providing an opinion on its consolidated financial statements; *provided, however*, that Leju’s Auditors may be different from E-House’s Auditors if necessary to comply with applicable laws regarding auditor independence and qualifications (*provided, however*, that Leju shall not take any actions, and shall use its reasonable best efforts to cause its directors, officers

11

and employees not to take any actions, that could reasonably be expected to require Leju to engage auditors other than E-House’s Auditors). After the Live Filing Date, the foregoing shall not be construed so as to unlawfully limit any responsibility of the audit committee of Leju’s board of directors, pursuant to SEC Rule 10A-3(b)(2) and rules of the NASDAQ Global Market or the New York Stock Exchange, as applicable, to appoint, compensate, retain and oversee the work of the registered public accounting firm Leju engages.

(ii) Until the first E-House fiscal year end occurring after the Control Ending Date, Leju shall provide to E-House as much prior notice as reasonably practical of any change in Leju’s Auditors for purposes of providing an opinion on its consolidated financial statements.

(b) Date of Auditors’ Opinion and Quarterly Reviews. Until the first E-House fiscal year end occurring after the Control Ending Date, and thereafter to the extent necessary for the purpose of preparing financial statements or completing a financial statement audit, Leju shall use its reasonable best efforts to enable Leju’s Auditors to complete their audit such that they will date their opinion on Leju’s audited annual financial statements on the same date that E-House’s Auditors date their opinion on E-House’s audited annual financial statements, and to enable E-House to meet its timetable for the printing, filing and public dissemination of E-House’s annual financial statements. Until the first E-House fiscal year end occurring after the Control Ending Date, and thereafter to the extent necessary for the purpose of preparing financial statements or completing a financial statement audit, Leju shall use its reasonable best efforts to enable Leju’s Auditors to complete their annual audit and quarterly review procedures such that they will provide clearance on such Party’s annual and quarterly financial statements on the same date that E-House’s Auditors provide clearance on E-House’s annual and quarterly financial statements.

(c) Annual and Quarterly Financial Statements. Until the Control Ending Date, Leju shall not change its fiscal year and, until the first E-House fiscal year end occurring after the Control Ending Date, and thereafter to the extent necessary for the purpose of preparing financial statements or completing a financial statement audit, shall provide to E-House on a timely basis all Information that E-House reasonably requires to meet its schedule for the preparation, printing, filing, and public dissemination of E-House’s annual and quarterly financial statements. Without limiting the generality of the foregoing, Leju will provide all required financial Information with respect to Leju and its subsidiaries and VIEs to Leju’s Auditors in a sufficient and reasonable time and in sufficient detail to permit Leju’s Auditors to take all steps and perform all procedures necessary to provide sufficient assistance to E-House’s

12

Auditors with respect to financial information to be included or contained in E-House's annual and quarterly financial statements. Similarly, E-House shall provide to Leju on a timely basis all financial information that Leju reasonably requires to meet its schedule for the preparation, printing, filing, and public dissemination of Leju's annual and quarterly financial statements. Without limiting the generality of the foregoing, E-House will provide all required financial information with respect to E-House and its subsidiaries and VIEs to E-House's Auditors in a sufficient and reasonable time and in sufficient detail to permit E-House's Auditors to take all steps and perform all procedures necessary to provide sufficient assistance to Leju's Auditors with respect to information to be included or contained in Leju's annual and quarterly financial statements.

(d) Certifications and Attestations.

(i) Until the first E-House fiscal year end occurring after the Control Ending Date, and thereafter to the extent necessary for the timely filing by E-House of annual and quarterly reports under the Exchange Act or in connection with any investigations of prior periods, Leju shall cause its principal executive officer and principal financial officer to provide to E-House on a timely basis and as reasonably requested by E-House (A) any certificates requested as support for the certifications and attestations required by Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002 to be filed with such annual and quarterly reports, (B) any certificates or other written information which such principal executive officer or principal financial officer received as support for the certificates provided to E-House and (C) a reasonable opportunity to discuss with such principal financial officer and other appropriate officers and employees of Leju any issues reasonably related to the foregoing.

(ii) To the extent necessary for the timely filing by Leju of annual and quarterly reports under the Exchange Act or in connection with any investigations of prior periods, E-House shall cause its appropriate officers and employees to provide to Leju on a timely basis and as reasonably requested by such Party (A) any certificates requested as support for the certifications and attestations required by Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002 to be filed with such annual and quarterly reports, (B) any certificates or other information which such appropriate officers and employees received as support for the certificates provided to Leju and (C) a reasonable opportunity to discuss with such appropriate officers and employees any issues reasonably related to the foregoing.

(e) Compliance With Laws, Policies and Regulations. Until the Control

13

Ending Date, Leju shall comply with all financial accounting and reporting rules, policies and directives of E-House, to the extent such rules, policies and directives have been previously communicated to Leju, and fulfill all timing and reporting requirements, applicable to E-House subsidiaries and VIEs that are consolidated with E-House for financial statement purposes. Without limiting the foregoing, Leju shall comply with all financial accounting and reporting rules and policies, and fulfill all timing and reporting requirements, under applicable federal securities laws and the rules of the NASDAQ Global Market or the New York Stock Exchange, as applicable. Leju shall not be deemed to be in breach of its obligations set forth in this provision to the extent that it is unable to comply with such obligations as a result of the actions or inactions of E-House.

(f) Identity of Personnel Performing the Annual Audit and Quarterly Reviews. Until the Control Ending Date, and thereafter to the extent such information and cooperation is necessary for the preparation of financial statements or completing a financial statements audit, Leju shall authorize Leju's Auditors to make available to E-House's Auditors both the personnel who performed or will perform the annual audits and quarterly reviews of Leju and work papers related to the annual audits and quarterly reviews of Leju, in all cases within a reasonable time prior to Leju's Auditors' opinion date, so that E-House's Auditors are able to perform the procedures they consider necessary to take responsibility for the work of Leju's Auditors as it relates to E-House's Auditors' report on E-House's financial statements, all within sufficient time to enable E-House to meet its timetable for the printing, filing and public dissemination of E-House's annual and quarterly financial statements. Similarly, E-House shall authorize E-House's Auditors to make available to Leju's Auditors both the personnel who performed or will perform the annual audits and quarterly reviews of E-House and work papers related to the annual audits and quarterly reviews of E-House, in all cases within a reasonable time prior to E-House's Auditors' opinion date, so that Leju's Auditors are able to perform the procedures they consider necessary to take responsibility for the work of E-House's Auditors as it relates to Leju's Auditors' report on Leju's financial statements, all within sufficient time to enable Leju to meet its timetable for the printing, filing and public dissemination of Leju's annual and quarterly financial statements.

(g) Access to Books and Records. Until the Control Ending Date, and thereafter to the extent such information and cooperation is necessary for the preparation of financial statements or completing a financial statements audit, all governmental audits are complete and the applicable statute of limitations for tax matters has expired, Leju shall provide E-House's internal auditors, counsel and other designated representatives of E-House access during normal business hours to (i) the premises of Leju and its subsidiaries and VIEs and all information (and duplicating rights) within the knowledge, possession or

14

control of Leju and its subsidiaries and VIEs and (ii) the officers and employees of Leju and its subsidiaries and VIEs, so that E-House may conduct reasonable audits relating to the financial statements provided by Leju pursuant hereto as well as to the internal accounting controls and operations of Leju. Similarly, E-House shall provide Leju's internal auditors, counsel and other designated representatives of Leju access during normal business hours to (x) the premises of E-House and its subsidiaries and VIEs and all information (and duplicating rights with respect thereto) within the knowledge, possession or control of E-House and its subsidiaries and VIEs and (y) the officers and employees of E-House and its subsidiaries and VIEs, so that Leju may conduct reasonable audits relating to the financial statements provided by E-House pursuant hereto as well as to the internal accounting controls and operations of E-House and its subsidiaries and VIEs.

(h) Notice of Change in Accounting Principles. Until the Control Ending Date, and thereafter if a change in accounting principles by a Party would affect the historical financial statements of the other Party, no such Party shall make or adopt any significant changes in its accounting estimates or accounting principles from those in effect on the Live Filing Date without first consulting with the other Party, and if requested by the other Party, such other Party's independent registered public accounting firm with respect thereto. E-House shall give Leju as much prior notice as reasonably practical of any proposed determination of, or any significant changes in, its accounting estimates or accounting principles from those in effect on the Live Filing Date. E-House will consult with Leju and, if requested by Leju, Leju's independent registered public accounting firm with respect thereto. Leju shall give E-House as much prior notice as reasonably practical of any proposed determination

of, or any significant changes in, its accounting estimates or accounting principles from those in effect on the Live Filing Date. Leju will consult with E-House and, if requested by E-House, E-House's independent registered public accounting firm with respect thereto.

(i) Conflict With Third-Party Agreements. Nothing in Section 4.3 or this Section 4.4 shall require a Party to violate any agreement with any third party regarding the confidentiality of confidential and proprietary Information relating to that third party or its business; *provided, however*, that in the event that a Party is required under Section 4.3 or this Section 4.4 to disclose any such Information, such Party shall use its reasonable best efforts to seek to obtain such third party's consent to the disclosure of such Information.

4.5 Confidentiality. (a) Each of the Parties shall hold and shall cause each of their respective subsidiaries and VIEs to hold, and shall each cause their respective officers, employees, agents, consultants and advisors and those of their respective subsidiaries and VIEs to hold, in strict confidence and not to disclose or release without the prior written consent of the other Party, any and

15

all Confidential Information concerning such other Party and its respective subsidiaries and VIEs; *provided*, that each of the Parties may disclose, or may permit disclosure of, Confidential Information (i) to their respective subsidiaries and VIEs, auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information and, in each case, are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties hereto and in respect of whose failure to comply with such obligations, Leju or E-House, as the case may be, will be responsible, (ii) if the Parties or any of their respective subsidiaries or VIEs are compelled to disclose any such Confidential Information by judicial or administrative process or (iii) if the Parties reasonably determine in good faith that such disclosure is required by other requirements of law. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made in connection with any judicial or administrative process, or a Party determines in good faith that disclosure is otherwise required by law, such Party shall promptly notify the other Party of the existence of such request, demand, or conclusion, and shall provide such other Party a reasonable opportunity to seek an appropriate protective order or other remedy, which the notifying Party will cooperate in obtaining. In the event that an appropriate protective order or other remedy is not obtained, the Party whose Confidential Information is required to be disclosed shall or shall cause the notifying Party to furnish, or cause to be furnished, only that portion of the Confidential Information that is required to be disclosed and shall use its reasonable best efforts to obtain reasonable assurances that confidential treatment will be accorded to such Information.

(b) As used in this Section 4.5:

(i) "Confidential Information" shall mean Confidential Business Information and Confidential Technical Information concerning one Party which, prior to, on or following the Live Filing Date, has been disclosed by such Party or its subsidiaries or VIEs, that (1) is in written, recorded, graphical or other tangible form and is marked "Proprietary," "Confidential" or "Trade Secret," or where it is evident from the nature and content of such Information that the disclosing Party considers it to be confidential, (2) is in oral form and identified by the disclosing Party as "Proprietary," "Confidential" or "Trade Secret" at the time of oral disclosure, including pursuant to the access provisions of Section 4.3 or Section 4.4 hereof or any other provision of this Agreement or where it is evident from the nature and content of such Information that the disclosing Party considers it to be confidential, or (3) in the case of such Information disclosed on or prior to the date hereof, either such Information is identified by the owning Party to the other relevant Party as Confidential Business Information or

16

Confidential Technical Information, orally or in writing on or prior to the Live Filing Date, or it is evident from the nature and content of such Information that the disclosing Party considers it to be confidential, and includes any modifications or derivatives prepared by the receiving Party that contain or are based upon any Confidential Information obtained from the disclosing Party, including any analysis, reports, or summaries of the Confidential Information. Confidential Information may also include Information disclosed to a disclosing Party by third parties. Confidential Information shall not, however, include any information which (A) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing Party; (B) becomes publicly known and made generally available after disclosure by the disclosing Party to the receiving Party through no action or inaction of the receiving Party; (C) is obtained by the receiving Party from a third party without a breach of such third party's obligations of confidentiality; or (D) is on or after the Live Filing Date independently developed by the receiving Party without use of or reference to the disclosing Party's Confidential Information.

(ii) "Confidential Technical Information" shall mean all proprietary scientific, engineering, mathematical or design information, data and material of the disclosing Party including, without limitation, (a) specifications, ideas, concepts, models, and strategies for products or services, (b) quality assurance policies, procedures and specifications, (c) source code and object code, (d) training materials and information, and (e) all other know-how, methodology, processes, procedures, techniques and trade secrets related to product or service design, development, manufacture, implementation, use, support and maintenance.

(iii) "Confidential Business Information" shall mean all proprietary information, data or material of the disclosing Party other than Confidential Technical Information, including, but not limited to (a) proprietary earnings reports and forecasts, (b) proprietary macro-economic reports and forecasts, (c) proprietary business plans, (d) proprietary general market evaluations and surveys, (e) proprietary financing and credit-related information, and (f) customer information.

(c) Nothing in this Agreement shall restrict (i) the disclosing Party from using, disclosing, or disseminating its own Confidential Information in any way, or (ii) reassignment of the receiving Party's employees. Moreover, nothing in the Agreement supersedes any restriction imposed by third parties on their Confidential Information, and there is no obligation on the disclosing Party to conform third party agreements to the terms of this Agreement except

17

(d) Notwithstanding anything to the contrary set forth herein, (i) a Party and its subsidiaries and VIEs shall be deemed to have satisfied their obligations hereunder with respect to Confidential Information if they exercise the same degree of care (but no less than a reasonable degree of care) as they take to preserve confidentiality for their own similar Information and (ii) confidentiality obligations provided for in any agreement between a Party or any of its subsidiaries or VIEs and any employee of such Party or any of its subsidiaries or VIEs shall remain in full force and effect.

(e) Confidential Information of a Party and its subsidiaries and VIEs in the possession of and used by the other Party as of the Live Filing Date may continue to be used by such Party in possession of the Confidential Information in and only in the operation of the E-House Business, in the case of E-House and its subsidiaries and VIEs, or the Leju Business, in the case of Leju and its subsidiaries and VIEs, and may be used only so long as the Confidential Information is maintained in confidence and not disclosed in violation of Section 4.5(a). Such continued right to use Confidential Information may not be transferred, including by merger, consolidation, reorganization, operation of law, or otherwise, to any third party unless such third party (A) purchases all or substantially all of the business or business line and assets in one transaction or in a series of related transactions for which or in which the relevant Confidential Information is used or employed and (B) expressly agrees in writing to be bound by the provisions of this Section 4.5. In the event that such right to use is transferred in accordance with the preceding sentence, the transferring Party shall not disclose the source of the relevant Confidential Information.

4.6 Privileged Matters. (a) The Parties agree that their respective rights and obligations to maintain, preserve, assert or waive any or all privileges belonging to each such Party or its subsidiaries or VIEs including but not limited to the attorney-client and work product privileges (collectively, “Privileges”), shall be governed by the provisions of this Section 4.6. With respect to Privileged Information (as defined below) of E-House, E-House shall have sole authority in perpetuity to determine whether to assert or waive any or all Privileges, and Leju shall take no action (nor permit any of its subsidiaries or VIEs to take action) without the prior written consent of E-House that could result in any waiver of any Privilege that could be asserted by E-House or any of its subsidiaries or VIEs under applicable law and this Agreement. With respect to Privileged Information of Leju, Leju shall have sole authority in perpetuity to determine whether to assert or waive any or all Privileges, and E-House shall take no action (nor permit any of its subsidiaries or VIEs to take action) without the prior written consent of Leju that could

18

result in any waiver of any Privilege that could be asserted by Leju or any of its subsidiaries or VIEs under applicable law and this Agreement.

(b) The rights and obligations created by this Section 4.6 shall apply to all Information as to which the Parties or their respective subsidiaries or VIEs would be entitled to assert or has asserted a Privilege (“Privileged Information”). Privileged Information of E-House includes but is not limited to (i) any and all Information regarding the business of E-House and its subsidiaries and VIEs (other than Information regarding the Leju Business), whether or not it is in the possession of Leju or any of its subsidiaries and VIEs; (ii) all communications subject to a Privilege between counsel for E-House (including in-house counsel) and any individual who, at the time of the communication, was an employee of E-House, regardless of whether such employee is or becomes an employee of Leju or any of its subsidiaries and VIEs and (iii) all Information generated, received or arising after the Live Filing Date that refers or relates to Privileged Information of E-House generated, received or arising prior to the Live Filing Date. Privileged Information of Leju includes but is not limited to (x) any and all Information regarding the Leju Business, whether or not it is in the possession of E-House or any of its subsidiaries and VIEs; (y) all communications subject to a Privilege occurring after the Live Filing Date between counsel for Leju (including in-house counsel and former in-house counsel who are or were employees of E-House) and any person who, at the time of the communication, was an employee of Leju, regardless of whether such employee was, is or becomes an employee of E-House or any of its subsidiaries or VIEs and (z) all Information generated, received or arising after the Live Filing Date that refers or relates to Privileged Information of Leju generated, received or arising prior to the Live Filing Date.

(c) Upon receipt by a Party or its subsidiaries or VIEs of any subpoena, discovery or other request from any third party that actually or arguably calls for the production or disclosure of Privileged Information of the other Party or its subsidiaries or VIEs, or if a Party or any of its subsidiaries or VIEs obtains knowledge that any of its current or former employees has received any subpoena, discovery or other request from any third party that actually or arguably calls for the production or disclosure of Privileged Information of the other Party or its subsidiaries or VIEs, such Party shall promptly notify that other Party of the existence of the request and shall provide that other Party a reasonable opportunity to review the Information and to assert any rights such other Party may have under this Section 4.6 or otherwise to prevent the production or disclosure of Privileged Information. E-House or its subsidiaries or VIEs, or Leju or its subsidiaries and VIEs, as the case may be, will not produce or disclose to any third party any of the other Party’s Privileged Information under this Section 4.6 unless (a) such other Party has provided its express written consent to such production or disclosure or (b) a court of

19

competent jurisdiction has entered an order not subject to interlocutory appeal or review finding that the Information is not entitled to protection from disclosure under any applicable privilege, doctrine or rule.

(d) E-House’s transfer of books and records pertaining to the Leju Business and other Information pertaining to Leju, if any, E-House’s agreement to permit Leju to obtain Information existing prior to the Live Filing Date, Leju’s transfer of books and records and other Information pertaining to E-House, if any, and Leju’s agreement to permit E-House to obtain Information existing prior to the Live Filing Date are made in reliance on E-House’s and Leju’s respective agreements, as set forth in Section 4.5 and this Section 4.6, to maintain the confidentiality of such Information and to take the steps provided herein for the preservation of all Privileges that may belong to or be asserted by E-House, or Leju, as the case may be. The access to Information, witnesses and individuals being granted pursuant to Section 4.3 and Section 4.4 and the disclosure to one Party of Privileged Information relating to the other Party’s businesses pursuant to this Agreement shall not be asserted by E-House or Leju to constitute, or otherwise be deemed, a waiver of any Privilege that has been or may be asserted under this Section 4.6 or otherwise. Nothing in this Agreement shall operate to reduce, minimize or condition the rights granted to, or the obligations imposed upon, E-House and Leju by this Section 4.6.

20

4.7 Future Litigation and Other Proceedings. In the event that Leju (or any of its subsidiaries or VIEs or any of its or their respective officers or directors) or E-House (or any of its subsidiaries or VIEs or any of its or their respective officers or directors) at any time after the date hereof initiates or becomes subject to any litigation or other proceedings before any Governmental Authority or arbitration panel with respect to which the Parties have no prior agreements (as to indemnification or otherwise), the Party (and its subsidiaries and VIEs and its and their respective officers and directors) that has not initiated and is not subject to such litigation or other proceedings shall comply, at the litigant Party's expense, with any reasonable requests by the litigant Party for assistance in connection with such litigation or other proceedings (including by way of provision of Information and making available of employees as witnesses). In the event that Leju (or any of its subsidiaries or VIEs or any of its or their respective officers or directors) and E-House (or any of its subsidiaries or VIEs or any of its or their respective officers or directors), or any combination thereof, at any time after the date hereof initiate or become subject to any litigation or other proceedings before any Governmental Authority or arbitration panel with respect to which the litigant Parties have no prior agreements (as to indemnification or otherwise), each litigant Party (and its officers and directors) shall, at their own expense, coordinate their strategies and actions with respect to such litigation or other proceedings to the extent such coordination would not be detrimental to their respective interests and shall comply, at the expense of the requesting Party, with any reasonable requests of such Party for assistance in connection therewith (including by way of provision of information and making available of employees as witnesses).

4.8 Mail and other Communications. Each of E-House and Leju may receive mail, facsimiles, packages and other communications properly belonging to the other. Accordingly, each Party authorizes each of the other Party to receive and open all mail, telegrams, packages and other communications received by it and not unambiguously intended for the other Party or any of the other Party's officers or directors, and to retain the same to the extent that they relate to the business of the receiving Party or, to the extent that they do not relate to the business of the receiving Party, the receiving Party shall promptly deliver such mail, telegrams, packages or other communications, including, without limitation, notices of any liens or encumbrances on any asset transferred to Leju or its subsidiaries or VIEs in connection with the separation from E-House, if any, (or, in case the same relate to both businesses, copies thereof) to the other Party as provided for in Section 7.6 hereof. The provisions of this Section 4.8 are not intended to, and shall not, be deemed to constitute (a) an authorization by either E-House or Leju to permit the other to accept service of process on its behalf and no Party is or shall be deemed to be the agent of the other Party for service of process purposes or (b) a waiver of any Privilege with respect to Privileged Information contained in such mail, telegrams, packages or other communications.

4.9 Certain Services to be Provided by E-House Research and Training Institute.

(a) Services. Until the Control Ending Date, E-House Research and Training Institute, or another member of the E-House Group performing similar functions, shall provide Leju and its subsidiaries and VIEs with

21

(i) regular macro-economic and real estate industry research and information services, including without limitation monthly general research reports in respect of China's real estate industry, monthly special research reports in respect of certain specific aspects of China's real estate industry, and regular training seminars (the "**Regular Services**"), and (ii) customized real estate industry research and information services from time to time based on the specific requests of Leju or any of its subsidiaries and VIEs (the "**Customized Services**").

(b) Service Fee. The Regular Services and the Customized Services shall be provided free of charge.

(c) Intellectual Property Rights. E-House Research and Training Institute reserves all intellectual property rights in respect of the services it provides under this Section 4.9. Leju and its subsidiaries and affiliates may use the work products produced by E-House Research and Training Institute for the operation of their business, including without limitation the operation of Leju's proprietary real estate information database and analysis system, and may, for the purpose of the operation of their business, authorize third parties to use such work products.

4.10 Other Inter-Company Services Agreements. To the extent not covered under the Inter-Company Agreements, E-House and its subsidiaries and VIEs, on the one hand, and Leju and its subsidiaries and VIEs, on the other, may enter into interim services agreements from time to time covering the provision of various interim services, if any, including financial, accounting, legal, and other services by E-House (and its subsidiaries and VIEs) to Leju (and its subsidiaries and VIEs) or, in certain circumstances, vice versa. Such services will generally be provided for a fee equal to the actual Direct Costs and Indirect Costs of providing such services plus an additional amount as agreed to by the Parties, subject to other consideration's being agreed to by the Parties. "**Direct Costs**" shall include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services as well as materials and supplies consumed in performing the services. "**Indirect Costs**" shall include occupancy, IT supervision and other overhead burden of the department incurring the direct costs of providing the service. Payment for any such services will be due within thirty (30) days after E-House renders an invoice for such services.

4.11 Payment of Expenses. Except as otherwise provided in this Agreement, the Inter-Company Agreements or any other agreement between the Parties relating to the IPO, (i) all costs and expenses of the Parties in connection with the IPO (including costs associated with drafting this Agreement, the Inter-Company Agreements and the documents relating to the formation of Leju and its subsidiaries and VIEs) shall be paid by Leju and (ii) all costs and expenses of the Parties in connection with any matter not relating to the IPO shall be paid by the Party which incurs such cost or expense. Notwithstanding the foregoing, Leju and E-

22

House shall each be responsible for their own internal fees, costs and expenses (e.g., salaries of personnel) incurred in connection with the IPO.

ARTICLE 5. MUTUAL RELEASES; INDEMNIFICATION.

5.1 Release of Claims.

(a) Leju Release. Except as provided in Section 5.1(c), Leju, for itself and as agent for each of its subsidiaries and VIEs, does hereby assume, and does hereby remise, release and forever discharge the E-House Indemnitees from, any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any past acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Live Filing Date, including in connection with the transactions and all other activities to implement the IPO.

(b) E-House Release. Except as provided in Section 5.1(c), E-House, for itself and as agent for each of its subsidiaries and VIEs, does hereby remise, release and forever discharge the Leju Indemnitees from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any past acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Live Filing Date, including in connection with the transactions and all other activities to implement the IPO.

(c) No Impairment. Nothing contained in Section 5.1(a) or Section 5.1(b) shall limit or otherwise affect any Party's rights or obligations pursuant to or contemplated by this Agreement or any Inter-Company Agreement, in each case in accordance with its terms, including, without limitation, any obligations relating to indemnification, including indemnification pursuant to Section 5.2 and Section 5.3 of this Agreement.

5.2 Indemnification by Leju. Except as otherwise provided in this Agreement, Leju shall, for itself and as agent for each of its subsidiaries and VIEs, indemnify, defend (or, where applicable, pay the defense costs for) and hold harmless the E-House Indemnitees from and against, and shall reimburse the E-House Indemnitees with respect to, any and all Losses that any third party seeks to impose upon the E-House Indemnitees, or which are imposed upon the E-House Indemnitees, and that relate to, arise or result from, whether prior to, on or following the Live Filing Date, any of the following items (without duplication):

(a) any Leju Liability;

23

(b) any breach by Leju or any of its subsidiaries and VIEs of this Agreement or any of the Inter-Company Agreements; and

(c) any Liabilities relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information (i) contained in the IPO Registration Statement, any issuer free writing prospectus or any preliminary, final or supplemental prospectus forming a part of the IPO Registration Statement (other than information provided in writing by E-House or any of its subsidiaries or VIEs to Leju specifically for inclusion in the IPO Registration Statement, any issuer free writing prospectus or any preliminary, final or supplemental prospectus forming a part of the IPO Registration Statement), (ii) contained in any public filings made by Leju with the SEC following the Live Filing Date or (iii) provided in writing by Leju or its subsidiaries or VIEs to E-House specifically for inclusion in E-House's annual or quarterly reports following the Live Filing Date to the extent (A) such information pertains to (x) Leju or its subsidiaries or VIEs or (y) the Leju Business or (B) E-House has provided prior written notice to Leju that such information will be included in one or more annual or quarterly reports, specifying how such information will be presented, and the information is included in such annual or quarterly reports; provided that this sub-clause (B) shall not apply to the extent that any such Liability arises out of or results from, or in connection with, any action or inaction of E-House or any of its subsidiaries or VIEs, including as a result of any misstatement or omission of any information by E-House or its subsidiaries or VIEs to Leju.

In the event that Leju or any of its subsidiaries or VIEs makes a payment to the E-House Indemnitees hereunder, and any of the E-House Indemnitees subsequently diminishes the Liability on account of which such payment was made, either directly or through a third-party recovery (other than a recovery indirectly from E-House or its subsidiaries or VIEs), E-House will promptly repay (or will procure an E-House Indemnitee to promptly repay) Leju (or its subsidiary or VIE that has made the payment) the amount by which the payment made by Leju (or its subsidiary or VIE that has made the payment) exceeds the actual cost of the associated indemnified Liability.

24

5.3 Indemnification by E-House. Except as otherwise provided in this Agreement, E-House shall, for itself and as agent for each of its subsidiaries and VIEs, indemnify, defend (or, where applicable, pay the defense costs for) and hold harmless the Leju Indemnitees from and against, and shall reimburse each such Leju Indemnitee with respect to, any and all Losses that any third party seeks to impose upon the Leju Indemnitees or which are imposed upon the Leju Indemnitees to the extent relating to, arising from or resulting from, whether prior to, on or following the Live Filing Date, any of the following items (without duplication):

(a) any Liability of E-House or its subsidiaries or VIEs and all Liabilities arising out of the operation or conduct of the E-House Business (in each case excluding the Leju Liabilities);

(b) any breach by E-House or any member of the E-House Group of this Agreement or any of the Inter-Company Agreements; and

(c) any Liabilities relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information (i) contained in the IPO Registration Statement, any issuer free writing prospectus or any preliminary, final or supplemental prospectus forming a part of the IPO Registration Statement and provided in writing by E-House or any of its subsidiaries or VIEs to Leju specifically for inclusion in the IPO Registration Statement, any issuer free writing prospectus or any preliminary, final or supplemental prospectus forming a part of the IPO Registration Statement), (ii) contained in any public filings made by E-House with the SEC following the Live Filing Date or (iii) provided in writing by E-House or its subsidiaries or VIEs to Leju specifically for inclusion in Leju's annual or quarterly reports following the Live Filing Date to the extent (A) such information pertains to (x) E-House or any of its subsidiaries or VIEs or (y) the E-House Business or (B) Leju has provided prior written notice to E-House that such information will be included in one or more annual or quarterly reports, specifying how such information will be presented, and the information is included in such annual or quarterly reports; provided that this sub-clause (B) shall not apply to the extent that any such Liability arises out of or results from, or in connection with, any action or inaction of Leju or any of its subsidiaries or VIEs, including as a result of any misstatement or omission of any information by Leju or any of its subsidiaries or VIEs to E-House.

In the event that E-House or any of its subsidiaries or VIEs makes a payment to the Leju Indemnitees hereunder, and any of the Leju Indemnitees subsequently diminishes the Liability on account of which such payment was made, either directly or through a third-party recovery (other than a recovery indirectly from Leju or its subsidiaries or VIEs), Leju will promptly repay (or

25

will procure a Leju Indemnitee to promptly repay) E-House (or its subsidiary or VIE that has made the payment) the amount by which the payment made by E-House (or its subsidiary or VIE that has made the payment) exceeds the actual cost of the indemnified Liability.

5.4 Procedures for Defense, Settlement and Indemnification of the Third Party Claims.

(a) Notice of Claims. If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) other than E-House, Leju and their subsidiaries and VIEs of any claim or of the commencement by any such Person of any Action (collectively, a “**Third Party Claim**”) with respect to which an Indemnifying Party may be obligated to provide indemnification, E-House or Leju, as applicable, will ensure that such Indemnitee shall give such Indemnifying Party written notice thereof within thirty (30) days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the delay or failure of any Indemnitee or other Person to give notice as provided in this Section 5.4 shall not relieve the related Indemnifying Party of its obligations under this Article V, except to the extent that such Indemnifying Party is actually and substantially prejudiced by such delay or failure to give notice.

(b) Defense by Indemnifying Party. An Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, to the extent that it wishes, at its cost, risk and expense, to assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee, unless the Indemnifying Party is also a party to such proceeding and the Indemnitee determines in good faith that joint representation would be materially prejudicial to the Indemnitee’s defense. After timely notice from the Indemnifying Party to the Indemnitee of such election to so assume the defense thereof, the Indemnifying Party shall not be liable to the Indemnitee for any legal expenses of other counsel or any other expenses subsequently incurred by the Indemnitee in connection with the defense thereof. The Indemnitee agrees to cooperate in all reasonable respects with the Indemnifying Party and its counsel in the defense against any Third Party Claim. The Indemnifying Party shall be entitled to compromise or settle any Third Party Claim as to which it is providing indemnification, *provided* that any compromise or settlement shall be made only with the written consent of the Indemnitee, such consent not to be unreasonably withheld.

(c) Defense by Indemnitee. If an Indemnifying Party fails to assume the defense of a Third Party Claim within thirty (30) days after receipt of notice of such claim, the Indemnitee will, upon delivering notice to such effect to the Indemnifying Party, have the right to undertake the defense, compromise or

26

settlement of such Third Party Claim on behalf of and for the account of the Indemnifying Party subject to the limitations as set forth in this Section 5.4; *provided, however*, that such Third Party Claim shall not be compromised or settled without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. If the Indemnitee assumes the defense of any Third Party Claim, it shall keep the Indemnifying Party reasonably informed of the progress of any such defense, compromise or settlement. The Indemnifying Party shall reimburse all such costs and expenses of the Indemnitee in the event it is ultimately determined that the Indemnifying Party is obligated to indemnify the Indemnitee with respect to such Third Party Claim. In no event shall an Indemnifying Party be liable for any settlement effected without its consent, which consent shall not be unreasonably withheld.

5.5 Additional Matters.

(a) Cooperation in Defense and Settlement. With respect to any Third Party Claim that implicates both Leju and E-House in a material way due to the allocation of Liabilities, responsibilities for management of defense and related indemnities set forth in this Agreement or any of the Inter-Company Agreements, the Parties agree to cooperate fully and maintain a joint defense (in a manner that will preserve the attorney-client privilege, joint defense or other privilege with respect thereto) so as to minimize such Liabilities and defense costs associated therewith. Any Party that is not responsible for managing the defense of such Third Party Claims shall, upon reasonable request, be consulted with respect to significant matters relating thereto and may, if necessary or helpful, engage counsel to assist in the defense of such claims.

(b) Subrogation. In the event of payment by or on behalf of any Indemnifying Party to or on behalf of any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee, in whole or in part based upon whether the Indemnifying Party has paid all or only part of the Indemnitee’s Liability, as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

5.6 Survival of Indemnities. The rights and obligations of the Parties under this Article V shall survive the sale or other transfer by any Party of any of its assets or businesses or the assignment by it of any Liabilities or the acquisition of control of such Party (by sale of capital stock or other equity interests, merger, consolidation or otherwise).

27

ARTICLE 6. DISPUTE RESOLUTION.

6.1 Dispute Resolution.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement, Offshore Transitional Service Agreement, or Non-Competition Agreement, or the breach, termination or validity thereof (“**Dispute**”) which arises between the Parties shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by a Party of written notice of a Dispute, which date of receipt shall be referred to herein as the “**Dispute Resolution Commencement Date.**” Discussions and correspondence relating to trying to resolve such Dispute shall be treated as Confidential Information and Privileged Information of each of E-House and Leju developed for the purpose of settlement and shall be exempt from discovery or production and shall not be admissible in any subsequent proceeding between the Parties.

(b) If the senior executives are unable to resolve the Dispute within 60 days from the Dispute Resolution Commencement Date, then, the Dispute will be submitted to the boards of directors of E-House and Leju. Representatives of each board of directors shall meet as soon as practicable to attempt in good faith to negotiate a resolution of the Dispute.

(c) If the representatives of the two boards of directors are unable to resolve the Dispute within one hundred and twenty (120) days from the Dispute Resolution Commencement Date, on the request of any Party, the Dispute will be mediated by a mediator appointed pursuant to the mediation rules of the American Arbitration Association. Both Parties will share the administrative costs of the mediation and the mediator's fees and expenses equally, and each Party shall bear all of its other costs and expenses related to the mediation, including but not limited to attorney's fees, witness fees, and travel expenses. The mediation shall take place in Shanghai, China or in whatever alternative forum on which the Parties may agree.

(d) If the Parties cannot resolve any Dispute through mediation within forty five (45) days after the appointment of the mediator (or the earlier withdrawal thereof), each Party shall be entitled to seek relief in a court of competent jurisdiction.

Unless otherwise agreed in writing, the Parties will continue to provide service and honor all other commitments under this Agreement and each Inter-Company Agreement during the course of dispute resolution pursuant to the

28

provisions of this Section 6.1 with respect to all matters not subject to such dispute, controversy or claim.

ARTICLE 7. MISCELLANEOUS.

7.1 Consent of E-House.

(a) Any consent of E-House pursuant to this Agreement or any of the Inter-Company Agreements shall not be effective unless it is in writing and evidenced by the signature of the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer of E-House (or such other person that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or board of directors of E-House has specifically authorized in writing to give such consent).

(b) Any consent of Leju pursuant to this Agreement or any of the Inter-Company Agreements shall not be effective unless it is in writing and evidenced by the signature of the Chief Executive Officer or Chief Financial Officer of Leju (or such other person that the Chief Executive Officer, Chief Financial Officer or board of directors of Leju has specifically authorized in writing to give such consent).

7.2 Limitation of Liability. IN NO EVENT SHALL E-HOUSE OR ANY MEMBER OF THE E-HOUSE GROUP OR LEJU OR ANY OF ITS SUBSIDIARIES OR VIES BE LIABLE TO THE OTHER PARTY, OR ITS AFFILIATED COMPANIES FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES OR LOST PROFITS, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; *PROVIDED, HOWEVER*, THAT THE FOREGOING LIMITATIONS SHALL NOT LIMIT EACH PARTY'S INDEMNIFICATION OBLIGATIONS FOR LIABILITIES AS SET FORTH IN THIS AGREEMENT OR IN ANY INTER-COMPANY AGREEMENT.

7.3 Entire Agreement. This Agreement, the Inter-Company Agreements and the Exhibits and Schedules referenced or attached hereto and thereto constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and shall supersede all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof and thereof.

7.4 Governing Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A. Subject to Section 6.1, each of the Parties hereby submits unconditionally to the jurisdiction of, and agrees that venue shall lie exclusively in, the federal and state courts located in the City of New York for purposes of the resolution of any disputes arising under this Agreement.

29

7.5 Termination; Amendment. This Agreement may be terminated or amended by mutual consent of the Parties, evidenced by an instrument in writing signed on behalf of each of the Parties. In the event of termination pursuant to this Section 7.5, no Party shall have any liability of any kind to the other Party. This Agreement shall terminate on the date that is five (5) years after the first date upon which members of the E-House Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Leju; *provided, however*, that the provisions of Section 4.7 shall survive for a period of seven (7) years after the termination of this Agreement and the provisions of Section 4.5, Article V, Article VI and Article VII shall survive indefinitely after the termination of this Agreement.

7.6 Notices. Notices, offers, requests or other communications required or permitted to be given by a Party pursuant to the terms of this Agreement shall be given in writing to the other Party to the following addresses:

if to E-House:

Qiushi Building, 11/F
383 Guangyan Road, Zhabei District
Shanghai 200072
People's Republic of China
Attention: Li-Lan Cheng
Facsimile: + 86 (21) 6133 0707
Email: chenglilan@ehousechina.com

if to Leju:

15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People's Republic of China
Attention: Geoffrey Yinyu He
Facsimile: + 86 (10) 8722 4920
Email: yinyu@leju.com

or to such other address, facsimile number or email address as the Party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized overnight courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized overnight courier; and upon receipt if mailed.

30

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

7.8 Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives and successors, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. This Agreement may be enforced separately by each Party's subsidiaries and VIEs. No Party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party, and any such assignment shall be void; *provided, however*, each Party may assign this Agreement to a successor entity in conjunction with such Party's reincorporation in another jurisdiction or into another business form.

7.9 Severability. If any term or other provision of this Agreement or the Exhibits or Schedules attached hereto is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

7.10 Failure or Indulgence not Waiver; Remedies Cumulative. No failure or delay on the part of any Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement or the Exhibits or Schedules attached hereto are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7.11 Authority. Each of the Parties hereto represents to the others that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

7.12 Interpretation. The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any

31

capitalized term used in any Exhibit or Schedule but not otherwise defined therein, has the meaning assigned to such term in this Agreement. . For all purposes of this Agreement: (i) all references in this Agreement to designated "Sections", "Schedules", "Exhibits" and other subdivisions are to the designated Sections, Schedules, Exhibits and other subdivisions of the body of this Agreement unless otherwise indicated; (ii) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision; (iii) "or" is not exclusive; (iv) "including" and "includes" will be deemed to be followed by "but not limited to" and "but is not limited to", respectively; (v) any definition of, or reference to, any law, agreement, instrument or other document herein will be construed as referring to such law, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified; and (vi) any definition of, or reference to, any statute will be construed as referring also to any rules and regulations promulgated thereunder.

7.13 Conflicting Agreements. None of the provisions of this Agreement is intended to supersede any provision in any Inter-Company Agreement or any other agreement with respect to the respective subject matters thereof. In the event of conflict between this Agreement and any Inter-Company Agreement or other agreement executed in connection herewith, the provisions of such other agreement shall prevail.

7.14 Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including any creditor of any Person. No such third party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any claim in respect of any Liability (or otherwise) against either Party hereto.

32

WHEREFORE, the Parties have signed this Master Transaction Agreement effective as of the date first set forth above.

/s/ E-House (China) Holdings Limited

/s/ Leju Holdings Limited



OFFSHORE TRANSITIONAL SERVICES AGREEMENT

OFFSHORE TRANSITIONAL SERVICES AGREEMENT

BETWEEN

E-HOUSE (CHINA) HOLDINGS LIMITED

and

LEJU HOLDINGS LIMITED

Dated as of March 10, 2014

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS	1
SECTION 2. SERVICES	4
(a) Initial Services	4
(b) Additional Services	4
(c) Scope of Services	5
(d) Limitation on Provision of Services	5
(e) Standard of Performance; Standard of Care	6
(f) Prices for Services	8
(g) Changes in Services	8
(h) Services Performed by Third Parties	8
(i) Responsibility for Provider Personnel	8
(j) Services Rendered as a Work-For-Hire; Return of Equipment; Internal Use; No Sale, Transfer, Assignment; Copies	8
(k) Cooperation	9
SECTION 3. CHARGES AND PAYMENT	9
(a) Procedure	9
(b) Late Payments	9
SECTION 4. TERM AND TERMINATION	9
(a) Termination Dates	9
(b) Early Termination by the Recipient	10
(c) Termination by the Provider	10
(d) Effect of Termination of Services	10
(e) Data Transmission	10
SECTION 5. MISCELLANEOUS	11
(a) DISCLAIMER OF WARRANTIES	11
(b) Limitation of Liability; Indemnification	11
(c) Compliance with Law and Governmental Regulations	13
(d) No Partnership or Joint Venture; Independent Contractor	13
(e) Non-Exclusivity	13
(f) Expenses	13
(g) Further Assurances	13
(h) Confidentiality	13
(i) Headings	14
(j) Interpretation	14
(k) Amendments	15
(l) Inconsistency	15
(m) Notices	15
(n) Assignment; No Third-Party Beneficiaries	16
(o) Entire Agreement	16
(p) Counterparts	16

(q)	Severability	16
(r)	Incorporation by Reference	17
(s)	Governing Law and Jurisdiction	17

OFFSHORE TRANSITIONAL SERVICES AGREEMENT

This Offshore Transitional Services Agreement is dated as of March 10, 2014, by and between, E-House (China) Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**E-House**”), on behalf of itself and other members of E-House Group, and Leju Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**Leju**”), on behalf of itself and other members of Leju Group.

R E C I T A L S

WHEREAS, Leju is currently a wholly owned subsidiary of E-House;

WHEREAS, the parties currently contemplate that Leju will make an initial public offering (“**IPO**”) pursuant to a Registration Statement on Form F-1 confidentially submitted for review and comment by the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended, to be filed publicly with the U.S. Securities and Exchange Commission via its EDGAR system (the date of such public filing, the “**Live Filing Date**”) following the substantial completion of such review and comment and as financial market conditions permit (as so filed, and as amended thereafter from time to time, the “**IPO Registration Statement**”);

WHEREAS, E-House and Leju have entered into that certain Master Transaction Agreement, dated as of March 10, 2014 (the “**Master Transaction Agreement**”), which sets forth and memorializes the principal arrangements between E-House and Leju regarding their relationship from and after the filing of the IPO Registration Statement and the consummation of the IPO, including the entering into of this Agreement; and

WHEREAS, the parties desire that members of E-House Group will continue to provide certain services to members of Leju Group and that members of Leju Group will also provide certain services to members of E-House Group.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and undertakings contained herein and the transactions contemplated by the Master Transaction Agreement, the receipt and sufficiency of which are acknowledged, the parties hereby mutually agree as follows:

SECTION 1. DEFINITIONS.

Capitalized terms used and not otherwise defined herein will have the meanings ascribed to such terms in the Master Transaction Agreement. Capitalized terms used in the Schedule but not otherwise defined therein, will have the meaning ascribed to such word in this Agreement. For purposes of this Agreement, the following words and phrases will have the following meanings:

“Actual Cost” has the meaning set forth in Section 2(f) of this Agreement.

“Additional Services” has the meaning set forth in Section 2(b) of this Agreement.

“Affiliate” of any Person means a Person that controls, is controlled by, or is under common control with such Person; *provided that*, under this Agreement, “Affiliate” of any member of E-House Group excludes members of Leju Group, and “Affiliate” of any member

of Leju Group excludes members of E-House Group. As used herein, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

“Agreement” means this Offshore Transitional Services Agreement, together with the Schedule hereto, as the same may be amended from time to time in accordance with the provisions hereof.

“Ancillary Agreement” means any agreement between E-House and Leju including the Master Transaction Agreement, Onshore Transitional Services Agreement and the Non-Competition Agreement.

“Claims” has the meaning set forth in Section 5(b)(iv) of this Agreement.

“Leju” has the meaning set forth in the preamble of this Agreement.

“Leju Group” means Leju and its subsidiaries and VIEs.

“Dispute” has the meaning set forth in Section 6.1(a) of the Master Transaction Agreement.

“Early Termination Fees” has the meaning set forth in Section 4(b) of this Agreement.

“E-House” has the meaning set forth in the preamble of this Agreement.

“E-House Group” means E-House and its subsidiaries and VIEs, other than Leju and its subsidiaries and VIEs.

“Force Majeure Event” has the meaning set forth in Section 2(d)(ii) of this Agreement.

“Governmental Authority” means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

“Historical Levels” has the meaning set forth in Section 2(d)(i) of this Agreement.

“Indemnitor” has the meaning set forth in Section 5(b)(iv) of this Agreement.

“Indemnitee” has the meaning set forth in Section 5(b)(iv) of this Agreement.

“Information” means information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

2

“Initial Services” has the meaning set forth in Section 2(a) of this Agreement.

“IPO” has the meaning set forth in the recitals to this Agreement.

“IPO Registration Statement” has the meaning set forth in the recitals to this Agreement.

“Law” means any law, statute, rule, regulation or other requirement imposed by a Governmental Authority.

“Live Filing Date” has the meaning set forth in the recitals to this Agreement.

“Master Transaction Agreement” has the meaning set forth in the recitals to this Agreement.

“Non-Competition Agreement” has the meaning set forth in Section 2.1 of the Master Transaction Agreement.

“Onshore Transitional Services Agreement” has the meaning set forth in Section 2.1 of the Master Transaction Agreement.

“Person” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“PRC” means the People’s Republic of China, which, for purposes of this Agreement only, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

“Provider” means, with respect to any particular Service, the entity or entities identified on the Schedule as the party to provide such Service.

“Provider Personnel” has the meaning set forth in Section 2(i) of this Agreement.

“Recipient” means, with respect to any particular Service, the entity or entities identified on the Schedule as the party to receive such Service.

“Review Meetings” has the meaning set forth in Section 2(k) of this Agreement.

“Schedule” has the meaning set forth in Section 2(a) of this Agreement.

“Service Period” means, with respect to any Service, the period commencing on the Live Filing Date and ending on the earlier of (i) the date the Recipient terminates the provision of such Service pursuant to Section 4(b), (ii) the date the Provider terminates the provision of such Service pursuant to Section 4(c), (iii) the first date upon which members of the E-House Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Leju or (iv) the first date upon which E-House, collectively with the other members of the E-House Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Leju (for purposes of this clause (iv), without considering holdings of institutional investors that have acquired Leju securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Leju).

3

“Services” has the meaning set forth in Section 2(b) of this Agreement.

“System” means the software, hardware, data store or maintenance and support components or portions of such components of a set of information assets identified in a Schedule.

“Tax” means all forms of direct and indirect taxation or duties imposed, or required to be collected or withheld, including charges, together with any related interest, penalties or other additional amounts.

“U.S. GAAP” means generally accepted accounting principles in the United States as in effect from time to time.

“VAT” means value added tax, goods and services tax and any sales, transfer, services, consumption, business, use or transaction tax.

“VIE” of any Person means any entity that controls, is controlled by, or is under common control with such Person and is deemed to be a variable interest entity consolidated with such Person for purposes of U.S. GAAP.

SECTION 2. SERVICES.

(a) Initial Services. Except as otherwise provided herein, during the applicable Service Period, each Provider agrees to provide, or with respect to any service to be provided by an Affiliate of the Provider, to cause such Affiliate to provide, to the Recipient, or with respect to any service to be provided to an Affiliate of the Recipient, to such Affiliate, the applicable services (the “**Initial Services**”) set forth on the Schedule (the “**Schedule**”) annexed hereto.

(b) Additional Services. From time to time during the applicable Service Period, the parties may identify additional services that the Provider will provide to the Recipient in accordance with the terms of this Agreement (the “**Additional Services**” and, together with the Initial Services, the “**Services**”). If the parties agree to add any Additional Services, the parties will mutually create a Schedule or amend the existing Schedule for each such Additional Service setting forth the identities of the Provider and the Recipient, a description of such Service, the term during which such Service will be provided, the cost, if any, for such Service and any other provisions applicable thereto. In order to become a part of this Agreement, such amendment to the Schedule must be executed by a duly authorized representative of each party, at which time such Additional Service will, together with the Initial Services, be deemed to constitute a “Service” for the purposes hereof and will be subject to the terms and conditions of this Agreement. The parties may, but will not be required to, agree on Additional Services during the applicable Service Period. Notwithstanding anything to the contrary in the foregoing or anywhere else in this Agreement, any service actually performed by the Provider upon written or oral request by the Recipient in connection with this Agreement will be deemed to constitute a “Service” for the purposes of Sections 3 and 5(b), but such “Service” will only be incorporated into this Agreement by an amendment as set forth in this Section 2(b) and Section 5(k). Notwithstanding the foregoing, neither party will have any obligation to agree to provide Additional Services.

4

(c) Scope of Services. Notwithstanding anything to the contrary herein, (i) neither the Provider nor any of its Affiliates will be required to perform or to cause to be performed any of the Services for the benefit of any third party or any other person other than the applicable Recipient or its Affiliates, and (ii) the Provider makes no warranties, express or implied, with respect to the Services, except as provided in Section 2(e).

(d) Limitation on Provision of Services

(i) Except as expressly contemplated in the Schedule, neither the Provider nor any of its Affiliates will be obligated to perform or to cause to be performed any Service in a volume or quantity that exceeds on an annualized basis one hundred and fifty percent (150%) of the historical volumes or quantities of Services performed by it or its Affiliates for the business of the Recipient during calendar year 2012, without reference to the transactions contemplated by the Master Transaction Agreement (“**Historical Levels**”); *provided, however*, that if the Recipient wishes to increase the volume or quantity of such Services provided under this Agreement by more than such amount, the Recipient will make a request to the appropriate Provider in writing in accordance with Section 5(m) at least fifteen (15) days prior to the next Review Meeting setting out in as much detail as reasonably possible the change requested and the reason for requesting the change, which request will be considered at the next Review Meeting. The Provider may, in its sole discretion, choose to accommodate or not to accommodate any such request in part or in full.

(ii) In case performance of any terms or provisions hereof will be delayed or prevented, in whole or in part, because of, or related to, compliance with any Law, decree, request or order of any Governmental Authority, either local, state, federal or foreign, or because of riots, war, public disturbance, strike, labor dispute, fire explosion, storm, flood, acts of God, major breakdown or failure of transportation, manufacturing, distribution or storage facilities, or for any other reason which is not within the control of the party whose performance is interfered with and which by the exercise of reasonable diligence such party is unable to prevent (each, a “**Force Majeure Event**”), then upon prompt notice by the party so suffering to the other party, the party suffering will be excused from its obligations hereunder during the period such Force Majeure Event continues, and no liability will attach against either party on account thereof. No party will be excused from performance if such party fails to use reasonable diligence to remedy the situation and remove the cause and effect of the Force Majeure Event.

(iii) If the Provider is unable to provide a Service hereunder because it does not have the necessary assets because such asset was transferred from the Provider to the Recipient, the parties will determine a mutually acceptable arrangement to provide the necessary access to such asset and until such time as access is provided, the Provider’s failure to provide such Service will not be a breach of this Agreement.

(iv) Notwithstanding anything to the contrary contained herein, this Agreement will not constitute an agreement for the Provider to provide

5

Services to the Recipient to the extent that the provision of any such Services would not be in compliance with applicable Laws.

(e) Standard of Performance; Standard of Care

(i) The Provider will use its commercially reasonable efforts to provide and cause its Affiliates to provide the Services in a manner which is substantially similar in nature, quality and timeliness to the services provided by the applicable Provider to the applicable Recipient immediately prior to the date hereof; *provided, however*, that nothing in this Agreement will require the Provider to prioritize or otherwise favor the Recipient over any third parties or any of the Provider’s or the Provider’s Affiliates’ business operations. The Recipient acknowledges that the Provider’s obligation to provide the Services is contingent upon the Recipient (A) providing in a timely manner all information, documentation, materials, resources and access requested by the Provider and (B) making timely decisions, approvals and acceptances and taking in a timely manner such other actions requested by the Provider, in each case that the Provider (in its reasonable business judgment) believes is necessary or desirable to enable the Provider to provide the Services; *provided, however*, that the Provider requests such approvals, information, materials or services with reasonable prior notice to the extent practicable. Notwithstanding anything to the contrary herein, the Provider shall not be responsible for any failure to provide any Service in the event that the Recipient has not fully complied with the immediately preceding sentence. The parties acknowledge and agree that nothing contained in the Schedule will be deemed to (A) increase or decrease the standard of care imposed on the Provider, (B) expand the scope of the Services to be provided as set forth in Section 2, except to the extent that the Schedule references a Service that was not provided immediately prior to the date hereof, or (C) limit Sections 5(a) and 5(b).

(ii) In providing the Services, except to the extent necessary to maintain the level of Service provided on the date hereof (or with respect to any Additional Service, the agreed-upon level), the Provider will not be obligated to: (A) hire any additional employees or (B) purchase, lease or

license any additional equipment, software or other assets; and in no event will the Provider be obligated to (x) maintain the employment of any specific employee or (y) pay any costs related to the transfer or conversion of the Recipient's data to the Provider or any alternate supplier of Services. Further, the Provider will have the right to designate which personnel it will assign to perform the Services, and it will have the right to remove and replace any such personnel at any time or designate any of its Affiliates or a third party provider at any time to perform the Services. At the Recipient's request, the Provider will consult in good faith with the Recipient regarding the specific personnel to provide any particular Services; *provided, however*, that the Provider's decision will control and be final and binding.

(iii) The Provider's sole responsibility to the Recipient for errors or omissions committed by the Provider in performing the Services will be to correct such errors or omissions in the Services at no additional cost to the Recipient; *provided, however*, that the Recipient must promptly advise the

6

Provider of any such error or omission of which it becomes aware after having used commercially reasonable efforts to detect any such errors or omissions.

(iv) The parties and their respective Affiliates will use good faith efforts to cooperate with each other in connection with the performance of the Services hereunder, including producing on a timely basis all information that is reasonably requested with respect to the performance of Services; *provided, however*, that such cooperation not unreasonably disrupt the normal operations of the parties and their respective Affiliates; *provided further*, that the party requesting cooperation will pay all reasonable out-of-pocket costs and expenses incurred by the party furnishing cooperation, unless otherwise expressly provided in this Agreement or the Master Transaction Agreement. Such cooperation will include exchanging information, providing electronic access to systems used in connection with the Services and obtaining or granting all consents, licenses, sublicenses or approvals necessary to permit each party to perform its obligations hereunder. Notwithstanding anything in this Agreement to the contrary, the Recipient will be solely responsible for paying for the costs of obtaining such consents, licenses, sublicenses or approvals, including reasonable legal fees and expenses. Either party providing electronic access to systems used in connection with Services may limit the scope of access to the applicable requirements of the relevant matter through any reasonable means available, and any such access will be subject to the terms of Section 5(h). The exchange of information or records (in any format, electronic or otherwise) related to the provision of Services under this Agreement will be made to the extent that (A) such records/information exist and are created in the ordinary course, (B) do not involve the incurrence of any material expense, and (C) are reasonably necessary for any such party to comply with its obligations hereunder or under applicable Law. Subject to the foregoing terms, the parties will cooperate with each other in making information available as needed in the event of a Tax audit or in connection with statutory or governmental compliance issues, whether in the PRC or any other country; *provided, however*, that the provision of such information will be without representation or warranty as to the accuracy or completeness of such information. For the avoidance of doubt, and without limiting any privilege or protection that now or hereafter may be shared by the Provider and the Recipient, neither party will be required to provide any document if the party who would provide such document reasonably believes that so doing would waive any privilege or protection (e.g., attorney-client privilege) applicable to such document.

(v) If the Provider reasonably believes it is unable to provide any Service because of a failure to obtain necessary consents (e.g., third-party approvals or instructions or approvals from the Recipient required in the ordinary course of providing a Service), licenses, sublicenses or approvals contemplated by Section 2(e)(iv), such failure shall not constitute a breach hereof by the Provider and the parties will cooperate to determine the best alternative approach; *provided, however*, that in no event will the Provider be required to provide such Service until an alternative approach reasonably satisfactory to the Provider is found or the consents, licenses, sublicenses or approvals have been obtained.

7

(f) Prices for Services. Services provided to any Recipient pursuant to the terms of this Agreement will be charged at the prices set forth for such Service on the Schedule. At the end of each twelve (12) months during the Service Period, the Provider will review the charges, costs and expenses actually incurred by the Provider in providing any Service (collectively, "**Actual Cost**") during the previous twelve (12) months. In the event the Provider determines that the Actual Cost for any service materially differs from the aggregate costs charged to Recipient for that Service for that period, the Provider will deliver to Recipient documentation for such Actual Cost and the parties will renegotiate in good faith to adjust the appropriate costs charged to the Recipient prospectively.

(g) Changes in Services. The parties agree and acknowledge that any Provider may make changes from time to time in the manner of performing the applicable Services if such Provider is making similar changes in performing similar services for itself, its Affiliates or other third parties, if any, and if such Provider furnishes to the Recipient substantially the same notice (in content and timing) as such Provider provides to its Affiliates or other third parties, if any, respecting such changes. In addition, and without limiting the immediately preceding sentence in any way, and notwithstanding any provision of this Agreement to the contrary, such Provider may make any of the following changes without obtaining the prior consent of the Recipient: (i) changes to the process of performing a particular Service that do not adversely affect the benefits to the Recipient of such Provider's provision or quality of such Service in any material respect or materially increase the charge for such Service; (ii) emergency changes on a temporary and short-term basis; and (iii) changes to a particular Service in order to comply with applicable Law or regulatory requirements.

(h) Services Performed by Third Parties. Nothing in this Agreement will prevent the Provider from using its Affiliates or third parties to perform all or any part of a Service hereunder. The Provider will remain fully responsible for the performance of its obligations under this Agreement in accordance with its terms, including any obligations it performs through its Affiliates or third parties, and the Provider will be solely responsible for payments due any such Affiliates or third parties.

(i) Responsibility for Provider Personnel. All personnel employed, engaged or otherwise furnished by the Provider in connection with its rendering of the Services will be the Provider's employees, agents or subcontractors, as the case may be (collectively, "**Provider Personnel**"). The Provider will have the sole and exclusive responsibility for Provider Personnel, will supervise Provider Personnel and will cause Provider Personnel to cooperate with the Recipient in performing the Services in accordance with the terms and conditions of Section 2(e). The Provider will pay and be responsible for the payment of any and all premiums, contributions and taxes for workers' compensation insurance, unemployment compensation, disability insurance, and all similar provisions now or hereafter imposed by any Governmental Authority with respect to, or measured by, wages, salaries or other compensation paid, or to be paid, by the Provider to Provider Personnel.

(j) Services Rendered as a Work-For-Hire; Return of Equipment; Internal Use; No Sale, Transfer, Assignment; Copies. All materials, software, tools, data, inventions, works of authorship, documentation, and other innovations of any kind, including any improvements or modifications to the Provider's proprietary computer software programs and related materials, that the Provider, or personnel working for or through the Provider, may make, conceive, develop

Product”), as between the Provider and the Recipient, will be solely owned by the Provider. Upon the termination of any of the Services, (i) the Recipient will return to the Provider, as soon as practicable, any equipment or other property of the Provider relating to such terminated Services which is owned or leased by the Provider and is, or was, in the Recipient’s possession or control; and (ii) the Provider will transfer to the Recipient, as soon as practicable, any and all supporting, back-up or organizational data or information of the Recipient used in supplying the Service to the Recipient. In addition, the parties will use good-faith efforts at the termination of this Agreement or any specific Service provided hereunder, to ensure that all user identifications and passwords related thereto, if any, are canceled, and that any other data (as well as any and all back-up of that data) pertaining solely to the other party and related to such Service will be returned to such other party and deleted or removed from the applicable computer systems. All systems, procedures and related materials provided to the Recipient are for the Recipient’s internal use only and only as related to the Services or any of the underlying Systems used to provide the Services, and unless the Provider gives its prior written consent in each and every instance (in its sole discretion), the Recipient may not sell, transfer, assign or otherwise use the Services provided hereunder, in whole or in part, for the benefit of any person other than an Affiliate of the Recipient. The Recipient will not copy, modify, reverse engineer, decompile or in any way alter Systems without the Provider’s express written consent (in its sole discretion).

(k) **Cooperation.** Each party will designate in writing to the other party one (1) representative to act as a contact person with respect to all issues relating to the provision of the Services pursuant to this Agreement. Such representatives will hold review meetings by telephone or in person, as mutually agreed upon, approximately once every quarter to discuss issues relating to the provision of the Services under this Agreement (“**Review Meetings**”). In the Review Meetings such representatives will be responsible for (A) discussing any problems identified relating to the provision of Services and, to the extent changes are agreed upon, implementing such changes and (B) providing notice that any Service has since the prior Review Meeting for the first time exceeded, or is anticipated to exceed, the usual and customary volume for such Service as described in the Schedule.

SECTION 3. CHARGES AND PAYMENT.

(a) **Procedure.** Charges for the Services will be charged to and payable by the Recipient. Amounts payable pursuant to the terms of this Agreement will be paid to the Provider on a quarterly basis.

(b) **Late Payments.** Charges not paid within twenty-five (25) days after the date when payable will bear interest at the rate of 0.75% per month for the period commencing on the due date and ending on the date that is twenty-five (25) days after such due date, and thereafter at the rate of 1.5% per month until the date payment is received in full by the Provider.

SECTION 4. TERM AND TERMINATION.

(a) **Termination Dates.** Unless otherwise terminated pursuant to this Sections 4, this Agreement will terminate with respect to any Service at the close of business on the last day of the Service Period for such Service, unless the parties have agreed in writing to an extension of the Service Period.

(b) **Early Termination by the Recipient.** As provided in the Schedule (regarding the required number of days for written notice), the Recipient may terminate this Agreement with respect to either all or any one or more of the Services, at any time and from time to time (except in the event such termination will constitute a breach by Provider of a third party agreement related to providing such Services), by giving the required written notice to the Provider of such termination (each, a “**Termination Notice**”). Early termination by the Recipient will obligate the Recipient to pay to the Provider the entire early termination fee provided for in the Schedule subject (in whole or in part) to early termination (the “**Early Termination Fees**”). Unless provided otherwise in the Schedule, all Services of the same type must be terminated simultaneously. As soon as reasonably practicable after its receipt of a Termination Notice, the Provider will advise the Recipient as to whether early termination of such Services will require the termination or partial termination, or otherwise affect the provision of, certain other Services. If this will be the case, the Recipient may withdraw its Termination Notice within ten (10) days. If the Recipient does not withdraw the Termination Notice within such period, such termination will be final and the Recipient will be deemed to have agreed to the termination, partial termination or affected provision of such other Services and to pay the Early Termination Fees.

(c) **Termination by the Provider.** As provided in the Schedule (regarding the required number of days of written notice), the Provider may terminate this Agreement with respect to either all or any one or more of the Services, at any time and from time to time, by giving the required written notice to the Recipient of such termination, if at such time the Provider does not perform such Service for itself or its Affiliates. Additionally, the Provider may terminate this Agreement by giving written notice of such termination to the Recipient, if the Recipient breaches any material provision of this Agreement (including a failure to timely pay an invoiced amount); *provided, however*, that the Recipient will have thirty (30) days after receiving such written notice to cure any breach which is curable before the termination becomes effective.

(d) **Effect of Termination of Services.** In the event of any termination with respect to one or more, but less than all, of the Services, this Agreement will continue in full force and effect with respect to any Services not so terminated. Upon the termination of any or all of the Services, the Provider will cease, or cause its applicable Affiliates or third-party providers to cease, providing the terminated Services. Upon each such termination, the Recipient will promptly (i) pay to the Provider all fees accrued through the effective date of the Termination Notice, and (ii) reimburse the Provider for the termination costs actually incurred by the Provider resulting from the Recipient’s early termination of such Services, if any, including those costs owed to third-party providers, but excluding costs related to the termination of any particular Provider employees in connection with such termination of Services (including wrongful termination claims) unless the Recipient was notified in writing that such particular employees were being engaged in order for the Provider to provide such Services.

(e) **Data Transmission.** In connection with the termination of a particular Service, on or prior to the last day of each relevant Service Period, the Provider will cooperate fully and will cause its Affiliates to cooperate fully to support any transfer of data concerning the relevant Services to the applicable Recipient. If requested by the Recipient in connection with the prior sentence, the Provider will deliver and will cause its Affiliates to deliver to the applicable Recipient, within such time periods as the parties may reasonably agree, all records, data, files and other information received or computed for the benefit of such Recipient during the Service Period, in electronic and/or hard copy form; *provided, however*,

that (i) the Provider will not have any obligation to provide or cause to provide data in any non-standard format and (ii) if the Provider, in its sole discretion, upon request of the Recipient, chooses to provide data in any non-standard format, the Provider and its Affiliates will be reimbursed for their reasonable out-of-pocket costs for providing data electronically in any format other than its standard format, unless expressly provided otherwise in the Schedule.

SECTION 5. MISCELLANEOUS.

(a) DISCLAIMER OF WARRANTIES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, THE PROVIDER MAKES NO AND DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT, WITH RESPECT TO THE SERVICES, TO THE EXTENT PERMITTED BY APPLICABLE LAW. THE PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

(b) Limitation of Liability; Indemnification

(i) Each party acknowledges and agrees that the obligations of the other party hereunder are exclusively the obligations of such other party and are not guaranteed directly or indirectly by such other party's shareholders, members, managers, officers, directors, agents or any other person. Except as otherwise specifically set forth in the Master Transaction Agreement, and subject to the terms of this Agreement, each party will look only to the other party and not to any manager, director, officer, employee or agent for satisfaction of any claims, demands or causes of action for damages, injuries or losses sustained by any party as a result of the other party's action or inaction.

(ii) Notwithstanding (A) the Provider's agreement to perform the Services in accordance with the provisions hereof, or (B) any term or provision of the Schedule to the contrary, the Recipient acknowledges that performance by the Provider of the Services pursuant to this Agreement will not subject the Provider, any of its Affiliates or their respective members, shareholders, managers, directors, officers, employees or agents to any liability whatsoever, except as directly caused by the gross negligence or willful misconduct on the part of the Provider or any of its members, shareholders, managers, directors, officers, employees and agents; provided, however, that the Provider's liability as a result of such gross negligence or willful misconduct will be limited to an amount not to exceed the lesser of (i) the price paid for the particular Service, (ii) the Recipient's or its Affiliate's cost of performing the Service itself during the remainder of the applicable Service Period or (iii) the Recipient's cost of obtaining the Service from a third party during the remainder of the applicable Service Period; provided further that the Recipient and its Affiliates will exercise their commercially reasonable efforts to minimize the cost of any such alternatives to the Services by selecting the most cost effective alternatives which provide the functional equivalent of the Services replaced.

(iii) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL EITHER

11

PARTY OR ITS RESPECTIVE AFFILIATES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS SUFFERED BY THE OTHER PARTY OR ITS AFFILIATES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, IN CONNECTION WITH ANY DAMAGES ARISING HEREUNDER; PROVIDED, HOWEVER, THAT TO THE EXTENT EITHER PARTY OR ITS RESPECTIVE AFFILIATES IS REQUIRED TO PAY (A) ANY AMOUNT ARISING OUT OF THE INDEMNITY SET FORTH IN SECTION 5(b)(ii) AND (B) ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS TO A THIRD PARTY WHO IS NOT AN AFFILIATE OF EITHER PARTY, IN EACH CASE IN CONNECTION WITH A THIRD-PARTY CLAIM, SUCH DAMAGES WILL CONSTITUTE DIRECT DAMAGES OF THE INDEMNIFIED PARTY AND WILL NOT BE SUBJECT TO THE LIMITATION SET FORTH IN THIS SECTION 5(b)(iii).

(iv) The Recipient agrees to indemnify and hold harmless the Provider, the Provider or its Affiliates and their respective members, shareholders, managers, directors, officers, employees and agents with respect to any claims or liabilities (including reasonable attorneys' fees) ("**Claims**"), which may be asserted or imposed against the Provider or such persons by a third party who is not an affiliate of either party, as a result of (A) the provision of the Services pursuant to this Agreement, or (B) the material breach by the Recipient of a third-party agreement that causes or constitutes a material breach of such agreement by the Provider, except (with respect to both of the foregoing) for any claims which are directly caused by the gross negligence or willful misconduct of the Provider or such persons. Each party as indemnitee ("**Indemnitee**") will give the other party as indemnitor ("**Indemnitor**") prompt written notice of any Claims. If Indemnitor does not notify Indemnitee within a reasonable period after Indemnitor's receipt of notice of any Claim that Indemnitor is assuming the defense of Indemnitee, then until such defense is assumed by Indemnitor, Indemnitee shall have the right to defend, contest, settle or compromise such Claim in the exercise of its reasonable judgment and all costs and expenses of such defense, contest, settlement or compromise (including reasonable outside attorneys' fees and expenses) will be reimbursed to Indemnitee by Indemnitor. Upon assumption of the defense of any such Claim, Indemnitor will, at its own cost and expense, select legal counsel, conduct and control the defense and settlement of any suit or action which is covered by Indemnitor's indemnity. Indemnitee shall render all cooperation and assistance reasonably requested by the Indemnitor and Indemnitor will keep Indemnitee fully apprised of the status of any Claim. Notwithstanding the foregoing, Indemnitee may, at its election and sole expense, be represented in such action by separate counsel and Indemnitee may, at its election and sole expense, assume the defense of any such action, if Indemnitee hereby waives Indemnitor's indemnity hereunder. Unless Indemnitee waives the indemnity hereunder, in no event shall Indemnitee, as part of the settlement of any claim or proceeding covered by this indemnity or otherwise, stipulate to, admit or acknowledge any liability or wrongdoing (whether in contract, tort or otherwise) of any issue which may be covered by this indemnity without the

12

consent of the Indemnitor (such consent not to be unreasonably withheld or delayed).

(c) Compliance with Law and Governmental Regulations. The Recipient will be solely responsible for (i) compliance with all Laws affecting its business and (ii) any use the Recipient may make of the Services to assist it in complying with such Laws. Without limiting any other provisions of this Agreement, the parties agree and acknowledge that neither party has any responsibility or liability for advising the other party with respect to, or ensuring the other

party's compliance with, any public disclosure, compliance or reporting obligations of such other party (including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act of 2002 and rules and regulations promulgated under such Acts or any successor provisions), regardless of whether any failure to comply results from information provided hereunder.

(d) No Partnership or Joint Venture; Independent Contractor. Nothing contained in this Agreement will constitute or be construed to be or create a partnership or joint venture between the parties or any of their respective Affiliates, successors or assigns. The parties understand and agree that this Agreement does not make either of them an agent or legal representative of the other for any purpose whatsoever. No party is granted, by this Agreement or otherwise, any right or authority to assume or create any obligation or responsibilities, express or implied, on behalf of or in the name of any other party, or to bind any other party in any manner whatsoever. The parties expressly acknowledge that the Provider is an independent contractor with respect to the Recipient in all respects, including with respect to the provision of the Services.

(e) Non-Exclusivity. The Provider and its Affiliates may provide services of a nature similar to the Services to any other Person. There is no obligation for the Provider to provide the Services to the Recipient on an exclusive basis.

(f) Expenses. Except as otherwise provided herein, each party will pay its own expenses incident to the negotiation, preparation and performance of this Agreement, including the fees, expenses and disbursements of their respective investment bankers, accountants and counsel.

(g) Further Assurances. From time to time, each party will use its commercially reasonable efforts to take or cause to be taken, at the cost and expense of the requesting party, such further actions as may be reasonably necessary to consummate or implement the transactions contemplated hereby or to evidence such matters.

(h) Confidentiality.

(i) Subject to Section 5(h)(iii), each party, on behalf of itself and its respective Affiliates, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to such party's confidential and proprietary information pursuant to policies in effect as of the date hereof, all Information concerning the other party and its Affiliates that is either in its possession (including Information in its possession prior to the date hereof) or furnished by the other party, its Affiliates or their respective directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives at any time

13

pursuant to this Agreement or otherwise, and will not use any such Information other than for such purposes as will be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such party or its Affiliates or any of their respective directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party (or its Affiliates) which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference or prior access to any proprietary or confidential Information of the other party.

(ii) Each party agrees not to release or disclose, or permit to be released or disclosed, any Information of the other party or its Affiliates to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who will be advised of their obligations hereunder with respect to such Information), except in compliance with Section 5(h)(iii); provided, however, that any Information may be disclosed to third parties (who will be advised of their obligation hereunder with respect to such Information) retained by the Provider as the Provider reasonably deems necessary to perform the Services.

(iii) In the event that any party or any of its Affiliates either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law (including pursuant to any rule or regulation of any Governmental Authority) or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of any other party (or of the other party's Affiliates) that is subject to the confidentiality provisions hereof, such party will notify the other party prior to disclosing or providing such Information and will cooperate at the expense of such other party in seeking any reasonable protective arrangements (including by seeking confidential treatment of such Information) requested or required by such other party. Subject to the foregoing, the person that received such a request or determined that it is required to disclose Information may thereafter disclose or provide Information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority; provided, however, that such Person provides the other party upon request with a copy of the Information so disclosed.

(i) Headings. The Section and paragraph headings contained in this Agreement or in the Schedule hereto and in the table of contents to this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(j) Interpretation. For all purposes of this Agreement and the Schedule delivered pursuant to this Agreement: (i) the terms defined in Section 1(a) have the meanings assigned to them in Section 1(a) and include the plural as well as the singular; (ii) all accounting terms not otherwise defined herein have the meanings assigned under U.S. GAAP; (iii) all references in this Agreement to designated "Sections", "Schedule" and other subdivisions are to the designated Sections, Schedule and other subdivisions of the body of this Agreement; (iv) pronouns of either gender or neuter will include, as appropriate, the other pronoun forms; (v) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision; (vi) "or" is

14

not exclusive; (vii) "including" and "includes" will be deemed to be followed by "but not limited to" and "but is not limited to", respectively; (viii) "party" or "parties" refer to a party or parties to this Agreement unless otherwise indicated; (ix) any definition of, or reference to, any law, agreement, instrument or other document herein will be construed as referring to such law, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified; and (x) any definition of, or reference to, any statute will be construed as referring also to any rules and regulations promulgated thereunder.

(k) Amendments. This Agreement (including the Schedule) may not be amended except by an instrument in writing executed by a duly authorized representative of each party. By an instrument in writing, the Provider, on the one hand, or the Recipient, on the other hand, may waive compliance by the other with any term or provision of this Agreement (including the Schedule) that such other party was or is obligated to comply with or perform. Any such waiver will

only be effective in the specific instance and for the specific and limited purpose for which it was given and will not be deemed a waiver of any other provision of this Agreement (including the Schedule) or of the same breach or default upon any recurrence thereof. No failure on the part of any party to exercise and no delay in exercising any right hereunder will operate as a waiver thereof nor will any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

(l) Inconsistency. Neither the making nor the acceptance of this Agreement will enlarge, restrict or otherwise modify the terms of the Master Transaction Agreement or constitute a waiver or release by any party of any liabilities, obligations or commitments imposed upon them by the terms of the Master Transaction Agreement, including the representations, warranties, covenants, agreements and other provisions of the Master Transaction Agreement. In the event of any conflict between the terms of this Agreement (including the Schedule), on the one hand, and the terms of the Master Transaction Agreement, on the other hand, with respect to the subject matters of this Agreement, the terms of this Agreement will control. In the event of any inconsistency between the terms of this Agreement, on the one hand, and any of the Schedule, on the other hand, the terms of this Agreement (other than charges for Services) will control.

(m) Notices. Notices, offers, requests or other communications required or permitted to be given by a party pursuant to the terms of this Agreement shall be given in writing to the other party to the following addresses:

if to E-House:

Qiushi Building, 11/F
383 Guangyan Road, Zhabei District
Shanghai 200072
People's Republic of China
Attention: Li-Lan Cheng
Facsimile: + 86 (21) 6133 0707
Email: chenglilan@ehousechina.com

if to Leju:

15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022

15

People's Republic of China
Attention: Geoffrey Yinyu He, CEO
Facsimile: + 86 (10) 8722 4920
Email: yinyu@leju.com

or to such other address, facsimile number or email address as the party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized overnight courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized overnight courier; and upon receipt if mailed.

(n) Assignment; No Third-Party Beneficiaries. Neither this Agreement nor any of the rights and obligations of the parties may be assigned by any party without the prior written consent of the other party, except that (i) the Recipient may assign its rights under this Agreement to any Affiliate or Affiliates of the Recipient without the prior written consent of the Provider, (ii) the Provider may assign any rights and obligations hereunder to (A) any Affiliate or Affiliates of the Provider capable of providing such Services hereunder or (B) third parties to the extent such third parties are routinely used to provide the Services to Affiliates and businesses of the Provider, in either case without the prior written consent of the Recipient, and (iii) an assignment by operation of Law in connection with a merger or consolidation will not require the consent of the other party. Notwithstanding the foregoing, each party will remain liable for all of its respective obligations under this Agreement. Subject to the first sentence of this Section 5(n), this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns and no other person will have any right, obligation or benefit hereunder. Any attempted assignment or transfer in violation of this Section 5(n) will be void.

(o) Entire Agreement. This Agreement, the Ancillary Agreements, the Schedule and appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties with respect to such subject matter other than those set forth or referred to herein or therein.

(p) Counterparts. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means will be effective as delivery of a manually executed counterpart of this Agreement.

(q) Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nonetheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions

16

contemplated by this Agreement are consummated as originally contemplated to the fullest extent possible.

(r) Incorporation by Reference. The Schedule to this Agreement is incorporated herein by reference and made a part of this Agreement as if set forth in full herein.

(s) Governing Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A. Subject to Section 6.1 of the Master Transaction Agreement, each of the parties hereby submits unconditionally to the jurisdiction of, and agrees that venue shall lie exclusively in, the federal and state courts located in the City of New York for purposes of the resolution of any disputes arising under this Agreement.

17

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed as of the date first written above.

/s/ E-House (China) Holdings Limited

/s/ Leju Holdings Limited

18

Schedule Services

Types of Services:

1. Accounting Support
2. Administrative Support
3. Internal Control Support
4. Legal Support
5. Marketing Support
6. Customer Service Support

Provider: E-House or an Affiliate of E-House

Recipient: Leju or an Affiliate of Leju

Scope and Annual Volume of Each Type of Services: Based on the Recipient's reasonable request subject to the terms of this Agreement, *provided* that the Provider actually performs such Service for itself or its Affiliates.

Price: The actual Direct Costs and Indirect Costs of providing such Services. "**Direct Costs**" shall include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the Services as well as materials and supplies consumed in performing the Services. "**Indirect Costs**" shall include occupancy, IT supervision and other overhead burden of the department incurring the direct costs of providing the Service.

Required Notice Period for Termination by Recipient Pursuant to Section 4(b) of this Agreement: 90 days

Required Notice Period for Termination by Provider Pursuant to Section 4(b) of this Agreement: 90 days

Schedule - 1

NON-COMPETITION AGREEMENT

NON-COMPETITION AGREEMENT

BETWEEN

E-HOUSE (CHINA) HOLDINGS LIMITED

and

LEJU HOLDINGS LIMITED

Dated as of March 10, 2014

1

NON-COMPETITION AGREEMENT

This Non-Competition Agreement is dated as of March 10, 2014, by and between E-House (China) Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**E-House**”), and Leju Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**Leju**”) (each of E-House and Leju a “**Party**” and, together, the “**Parties**”).

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Article I hereof.

R E C I T A L S

WHEREAS, E-House is the registered and beneficial owner of all of the issued and outstanding Ordinary Shares of Leju;

WHEREAS, E-House has been engaged in the Leju Business through Leju and/or Leju’s subsidiaries and VIEs, as more fully described in a draft Registration Statement on Form F-1 confidentially submitted for review and comment by the SEC under the U.S. Securities Act of 1933, as amended, to be filed publicly with the SEC via its EDGAR system (the date of such public filing, the “**Live Filing Date**”) following the substantial completion of such review and comment and as financial market conditions permit (as so filed, and as amended thereafter from time to time, the “**IPO Registration Statement**”);

WHEREAS, prior to the date hereof, all of the then existing assets and liabilities in connection with the Leju Business have already been transferred to or assumed by Leju and/or its subsidiaries and VIEs;

WHEREAS, the Parties currently contemplate that Leju will make an initial public offering pursuant to the IPO Registration Statement; and

WHEREAS, the Parties intend in this Agreement to set forth the principal terms and conditions with respect to their agreement not to compete with each other or solicit the employees of each other following;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1. DEFINITIONS.

1.1. Defined Terms. The following capitalized terms have the meanings given to them in this Section 1.1:

“ADSs” means American depository shares representing Ordinary Shares.

“Agreement” means this Non-Competition Agreement, as the same may be amended from time to time in accordance with the provisions hereof.

“E-House” has the meaning set forth in the preamble to this Agreement.

1

“E-House Business” means any business that is conducted by E-House and its subsidiaries and VIEs and described in its periodic filings with the SEC, other than the Leju Business.

“E-House Group” means E-House and its subsidiaries and VIEs, other than Leju and its subsidiaries and VIEs.

“Inter-Company Agreements” has the meaning ascribed to it in the Master Transaction Agreement.

“IPO Registration Statement” has the meaning set forth in the recitals to this Agreement.

“Leju” has the meaning set forth in the preamble to this Agreement.

“Leju Business” means the provision of real estate e-commerce, online advertising and listing services as currently conducted or contemplated to be conducted by the Leju Group anywhere in the world, as more completely described in the IPO Registration Statement.

“Leju Group” means Leju and its subsidiaries and VIEs.

“Live Filing Date” has the meaning set forth in the recitals to this Agreement.

“Master Transaction Agreement” means the Master Transaction Agreement between the Parties dated the date hereof, as the same may be amended and supplemented in accordance with the provisions thereof.

“Non-Competition Period” means the period beginning on the date hereof and ending on the later of:

- (a) the date that is three (3) years after the first date upon which members of the E-House Group cease to own in the aggregate at least twenty percent (20%) of the voting power of the then outstanding securities of Leju; and
- (b) the fifth anniversary of the date of the Live Filing Date.

“Ordinary Shares” means the shares of Leju, par value \$0.0001 per share (including shares represented by ADSs and held of record by the depository bank for the ADSs).

“Party” or “Parties” has the meaning set forth in the preamble of this Agreement.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

“SEC” means the U.S. Securities and Exchange Commission.

“VIE” of any Person means any entity that controls, is controlled by, or is under common control with such Person and is deemed to be a variable interest entity consolidated with such Person for purposes of generally accepted accounting principles in the United States as in effect from time to time. As used herein, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of

such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

ARTICLE 2. NON-COMPETITION

2.1. Undertaking of the E-House Group. During the Non-Competition Period, E-House will not, and will cause each of the other members of the E-House Group not to, directly or indirectly, anywhere in the world sell or otherwise provide to any third party any product or service or otherwise engage in any business that competes in any way with the Leju Business, whether as a principal or for its own account, or as a shareholder or other equity owner in any Person (other than Leju); *provided* that the foregoing shall not prohibit any member of the E-House Group from owning beneficially or of record, less than 2% (calculated on an aggregate basis combining any such ownership by any members of the E-House Group) of the equity or its equivalent of any publicly-traded company (other than Leju) that sells or otherwise provides any product or service or otherwise engages in any business that competes in any way with the Leju Business.

2.2. Undertaking of the Leju Group. During the Non-Competition Period, Leju will not, and will cause each of the other members of the Leju Group not to, directly or indirectly, anywhere in the world sell or otherwise provide to any third party any product or service or otherwise engage in any business that competes in any way with the E-House Business, whether as a principal or for its own account, or as a shareholder or other equity owner in any Person; *provided* that the foregoing shall not prohibit any member of the Leju Group from owning beneficially or of record, less than 2% (calculated on an aggregate basis combining any such ownership by any member of the Leju Group) of the equity or its equivalent of any publicly-traded company that sells or otherwise provides any such product or service in competition with the E-House Business.

ARTICLE 3. NON-SOLICITATION

3.1. Non-Solicitation by E-House. During the Non-Competition Period, E-House will not, and will cause each other member of the E-House Group not to, directly or indirectly, hire, or solicit for hire, any active employees of or individuals providing consulting services to any member of the Leju Group, or any former employees of or individuals providing consulting services to any member of the Leju Group within six (6) months of the termination of their employment with or consulting services to the member of the Leju Group, without Leju’s consent; *provided* that the foregoing shall not prohibit any solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in the hiring of any such employees or individuals by the E-House Group within the Non-Competition Period.

3.2. Non-Solicitation by Leju. During the Non-Competition Period, Leju will not, and will cause each other member of the Leju Group not to, directly or indirectly, solicit or hire any active employees of or individuals providing consulting services to any member of the E-House Group, or any former employees of or individuals providing consulting services to any member of the E-House Group within six (6) months of the termination of their employment with or consulting to the member of the E-House Group, without E-House’s consent; *provided* that the foregoing shall not prohibit any solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do

not result in the hiring of any such employees or individuals by the Leju Group within the Non-Competition Period.

ARTICLE 4. MISCELLANEOUS

4.1. Consent of E-House. Any consent of E-House pursuant to this Agreement shall not be effective unless it is in writing and evidenced by the signature of the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer of E-House (or such other person that the Chief Executive Officer,

Chief Operating Officer, Chief Financial Officer or board of directors of E-House has specifically authorized in writing to give such consent).

4.2. Consent of Leju. Any consent of Leju pursuant to this Agreement shall not be effective unless it is in writing and evidenced by the signature of the Chief Executive Officer or Chief Financial Officer of Leju (or such other person that the Chief Executive Officer, Chief Financial Officer or board of directors of Leju has specifically authorized in writing to give such consent).

4.3. Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and shall supersede all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof.

4.4. Governing Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A. Subject to Section 6.1 of the Master Transaction Agreement, each of the Parties hereby submits unconditionally to jurisdiction of, and agrees that venue shall lie exclusively in, the federal and state courts located in the City of New York for purposes of the resolution of any disputes arising under this Agreement.

4.5. Termination; Amendment. This Agreement may be terminated or amended by mutual written consent of the Parties, evidenced by an instrument in writing signed on behalf of each of the Parties.

4.6. Notices. Notices or other communications required or permitted to be given by a Party pursuant to the terms of this Agreement shall be given in writing to the other Party to the following addresses:

if to E-House:

Qiushi Building, 11/F
383 Guangyan Road, Zhabei District
Shanghai 200072
People's Republic of China
Attention: Li-Lan Cheng
Facsimile: + 86 (21) 6133 0707
Email: chenglilan@ehousechina.com

if to Leju:

4

15/F Floor, Shoudong International Plaza, No. 5 Building, Guangqu Home
Dongcheng District, Beijing 100022
People's Republic of China
Attention: Geoffrey Yinyu He, CEO
Facsimile: + 86 (10) 8722 4920
Email: yinyu@leju.com

or to such other address, facsimile number or email address as the Party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized overnight courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized overnight courier; and upon receipt if mailed.

4.7. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

4.8. Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives and successors, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. No party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party, and any such assignment without such consent shall be void; *provided, however*, each Party may assign this Agreement to a successor entity in conjunction with the transfer of substantially all of the Party's business, whether by sale of substantially all assets, merger, consolidation or otherwise.

4.9. Severability. If any term or other provision of this Agreement is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that transactions contemplated hereby are fulfilled to the fullest extent possible.

4.10. Failure or Indulgence not Waiver; Specific Performance; Remedies Cumulative. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. Each Party recognizes and agrees that the other Party's remedy at law for any breach of this Agreement would be inadequate and that the non-breaching Party shall, in addition to such other remedies as may be available to it at law or in equity, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by law

5

(without the posting of any bond and without proof of actual damages). All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.11. Authority. Each of the Parties hereto represents to the others that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

4.12. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. For all purposes of this Agreement: (i) all references in this Agreement to designated "Sections", "Schedules", "Exhibits" and other subdivisions are to the designated Sections, Schedules, Exhibits and other subdivisions of the body of this Agreement unless otherwise indicated; (ii) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision; (iii) "or" is not exclusive; (iv) "including" and "includes" will be deemed to be followed by "but not limited to" and "but is not limited to", respectively; (v) any definition of, or reference to, any law, agreement, instrument or other document herein will be construed as referring to such law, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified; and (vi) any definition of, or reference to, any statute will be construed as referring also to any rules and regulations promulgated thereunder.

[Signatures on Next Page]

6

WHEREFORE, the Parties have signed this Non-Competition Agreement effective as of the date first set forth above.

/s/ E-House (China) Holdings Limited

/s/ Leju Holdings Limited

7

Shanghai Real Estate Sales (Group) Co., Ltd.

and

Each Company as listed in Appendix

Transitional Services Agreement

Dated as of March 10, 2014

Transitional Services Agreement

THIS TRANSITIONAL SERVICES AGREEMENT (this “**Agreement**”) is entered into as of March 10, 2014 by and between the following Parties:

(1) **Shanghai Real Estate Sales (Group) Co., Ltd. (“E-House Shanghai”)**

Registered Address: Room 308, Building 1, No. 1376 Jiangdong Road, Pudong New Area, Shanghai

(2) **Each company as listed in Appendix hereto** (individually as “**Leju Entity**” and collectively as “**Leju Entities**”)

(The above parties are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.)

WHEREAS:

Leju Holdings Limited, a company duly established under the laws of Cayman Islands (hereinafter referred to as “**Leju**”) and E-House (China) Holdings Limited, a company duly established under the laws of Cayman Islands (hereinafter referred to as “**E-House**”) entered into an Offshore Transitional Services Agreement, dated as of March 10, 2014 (the “**Offshore Transitional Services Agreement**”), which sets forth relevant provisions in respect of transitional services between the Leju Group (as defined below) and the E-House Group (as defined below).

NOW, THEREFORE, pursuant to the terms and conditions of the Offshore Transitional Services Agreement, E-House Shanghai and each Leju Entity, respectively as a member of the E-House Group and the Leju Group, hereby have reached the following agreement on provision of relevant transitional services:

Article 1 Definitions

Unless otherwise specified in this Agreement, the following terms used in this Agreement shall have the meanings prescribed thereto below.

“**Affiliate**” means, with respect to E-House Shanghai, an entity established in the PRC under the PRC laws which controls, is controlled by, or is under common control with E-House Shanghai, but exclusive of Leju Group; or with respect to an Leju Entity, an entity established in the PRC under the PRC laws which controls, is controlled by, or is under common control that Leju Entity, but exclusive of E-House Group.

2

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or other interests, by contract or otherwise.

“**E-House Group**” means E-House and any entity controlled by E-House, but exclusive of any member of the Leju Group.

“**Leju Group**” means Leju and any entity controlled by Leju.

“**Live Filing Date**” has the meaning prescribed to it in the Offshore Transitional Services Agreement.

“**PRC**” means the People’s Republic of China, which, for purposes of this Agreement only, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

“**Provider**” means, with respect to any particular Service, the entity or entities identified on the relevant Schedule to this Agreement as the Party to provide such Service.

“**Recipient**” means, with respect to any particular Service, the entity or entities identified on the relevant Schedule to this Agreement as the Party to receive such Service.

“**Schedule**” means the schedule to this Agreement, including the amendments made in accordance with Article 2.2 and Article 9.8.

“**Service Period**” means, with respect to any Service, the period commencing on the Live Filing Date and ending on the earlier of (i) the date the Recipient terminates the provision of such Service pursuant to Article 4.1 of this Agreement; (ii) the date the Provider terminates the provision of such Service pursuant to Article 4.2 of this Agreement; (iii) the first date upon which members of the E-House Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Leju; (iv) the first date upon which E-House, collectively with the other members of the E-House Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Leju (for purposes of this clause (iv), without considering holdings of institutional investors that have acquired Leju securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Leju).

Article 2 Services

2.1 Initial Services

Except otherwise provided herein, during the applicable Service Period, each Provider shall or cause any of its Affiliates to provide to the Recipient or its designated Affiliate relevant services that shall be provided by the Provider or its

3

Affiliates to the Recipient or its Affiliates as set forth on the Schedule annexed hereto (the “**Initial Services**”).

2.2 Additional Services

During the applicable Service Period, the Parties may identify through consultations additional services that the Provider will provide to the Recipient in accordance with the terms of this Agreement (the “**Additional Services**” and, together with the Initial Services, the “**Services**”) and shall enter into a written agreement on the terms with regard to the Provider, Recipient, service scope, Services Charges and service term in respect of each Additional Service and attach it to this Agreement as a Schedule after it is executed by the duly authorized representatives of the relevant Parties.

2.3 Changes in Services

The Parties agree and acknowledge that any Provider may make changes from time to time in the manner of performing the applicable Services if such Provider is making similar changes in the manner of performing similar services for itself, its Affiliates or other third parties, and if such Provider furnishes to the Recipient substantially the same notice, in content and timing, as such Provider provides to its Affiliates or other third parties, if any, respecting such changes. In addition, and without limiting the immediately preceding sentence in any way, and notwithstanding any provision of this Agreement to the contrary, such Provider may make any of the following changes without obtaining the prior consent of the Recipient: (i) changes to the process of performing a particular Service that do not adversely affect the benefits to the Recipient of such Provider’s provision or quality of such Service in any material respect or materially increase the charges for such Service; (ii) emergency changes on a temporary and short-term basis; and (iii) changes to a particular Service in order to comply with applicable laws or regulatory requirements.

2.4 Services Relating to the Affiliates

In respect of any Service of which the actual Provider or the actual Recipient is an Affiliate of a Party, if any of the applicable PRC laws and regulations or any of the competent PRC governmental authorities requires that the Affiliate sign a separate service agreement with respect to such Service, the Parties shall act and cause the Affiliate to act as required to enter into a service agreement on such Service in a form substantially identical to the form of this Agreement.

2.5 Standard of Services

- (i) The Provider will use its commercially reasonable efforts to provide or cause its Affiliates to provide the Recipient with the Services in a manner which is substantially similar in nature, quality and timeliness to the

4

Services provided by the relevant Provider to the relevant Recipient immediately prior to the date hereof; provided, however, that nothing in this Agreement will require the Provider to prioritize or otherwise favor the Recipient over any third parties or any of the Provider’s or the Provider’s Affiliates’ business operations.

- (ii) The Recipient acknowledges that the Provider’s obligation to provide the Services is contingent upon the Recipient providing in a timely manner all information, documentation, materials as requested by the Provider for the necessity of providing the Services with reasonable prior notice and making timely decisions, approvals and taking other actions that are necessary for provision of the Services as required by the Provider by sending a reasonable prior notice. The Provider shall not be responsible for any failure to provide any Service in the event that the Recipient has not fully complied with the immediately preceding sentence.
- (iii) Except to the extent necessary to maintain the level of the Services provided immediately before the execution date hereof (or with respect to any Additional Service, the agreed-upon level), the Provider shall not be obligated to hire any additional employees, acquire (whether by purchasing, leasing, licensing or otherwise) any additional equipment, or maintain the employment of any specific employee for the purpose of provision of the Services.
- (iv) The Provider shall have the right to designate the personnel to provide the Services to the Recipient, and to remove and replace any such personnel at any time. Notwithstanding any provision of this Agreement to the contrary, the Provider will have the right, to the extent permitted by the applicable laws and regulations, to designate any of its Affiliates or a third party at any time to perform the Services in a whole or in a part, provided that such Affiliate or the third party is capable and qualified, as required by the applicable laws and regulations (if any), to perform the Services. At the Recipient’s request, the Provider will consult in good faith with the Recipient regarding choice of the specific personnel to provide any particular Services; provided, however, that the Provider’s decision will control and be final and binding thereupon. Notwithstanding the preceding sentences in this Article 2.5(iv), the Provider shall be responsible for the Services provided to the Recipient by any Affiliate or any third party provider

designated by it according to this article and shall ensure such Services be exactly in line with the standard of Services as provided in this Article 2.5.

- (v) If the Provider reasonably believes it is unable to provide any Service because of a failure to obtain necessary consents (e.g., third-party consents or instruction and approval of the Recipient required in the ordinary course of providing the Services), licenses or approvals, such failure shall not

constitute a breach hereof. In such cases, the Parties will cooperate with each other to determine the best alternative approach; provided, however, that in no event will the Provider be required to provide such Service until the consents, licenses, or approvals have been obtained or an alternative approach reasonably satisfactory to the Provider is found.

2.6 Responsibility for Provider Personnel

The Provider will have the sole and exclusive responsibility for the action, omission, fault or personal injury of the personnel designated by the Provider to perform the Services that is employed, engaged or otherwise provided by the Provider (“**Provider Personnel**”) in the course of their providing the Services to the Recipient or its Affiliates. The Provider will pay and cause its Affiliates or any other third party provider (if applicable) to pay the Provider Personnel, in accordance with the applicable laws and regulations, all the payments that are payable by the Provider, its Affiliates or any other third party to such Provider Personnel, including but not limited to salaries and other payable costs incurred as a result of the establishment, existence or termination of any employment relationship (if applicable).

2.7 Compliance with Laws and Regulations

Notwithstanding any provision to the contrary contained herein, the Provider shall not provide the Recipient with any Service that is not in compliance with the applicable laws and regulations.

2.8 Intellectual Property Rights

Unless otherwise agreed upon by the Parties, intellectual property rights in respect of any achievements originally owned by the Provider or created by the Provider during the course of providing any Services are properties of the Provider.

Article 3 Service Charges

3.1 Service Charges

Charges for the Services (“**Service Charge**”) will be charged to and payable by the Recipient pursuant to the fee rate set out in the Schedules on a quarterly basis.

3.2 Late Payments

If the Recipient fails to pay the Service Charges in full before the due date as provided under this Agreement, and further fails to fully pay the same within

twenty-five (25) days of the due date (“**Grace Period**”), outstanding Service Charges as of expiration date of the Grace Period will bear interest at the rate of 0.75% per month for the period commencing on the due date of the Service Charge and ending on the expiration date of the Grace Period, and then at the rate of 1.5% per month for the period commencing on the day immediately after the Grace Period and ending on the date on which the Recipient fully pays the Service Charges.

3.3 Changes in Service Charges

Notwithstanding Article 3.1 and Article 3.2 of this Agreement, upon expiration of each twelve (12) months during the Service Period, the Provider will review the costs and expenses actually incurred by it for the Services during the previous twelve (12) months. If the Provider believes that such costs and expenses of any of the Services are materially different from the Service Charges paid by the Recipient for the Services, the Provider will deliver to the Recipient the evidencing documentation for such actual costs and expenses and the relevant Parties will renegotiate in good faith to adjust the Service Charges for such Services.

Article 4 Termination

4.1 Early Termination by the Recipient

The Recipient may terminate one or more or all of the Services by giving a written termination notice to the Provider of such termination (the “**Termination Notice**”) pursuant to the required notice period for such termination provided in the Schedule, unless such termination will cause the Provider to be in breach of the relevant agreement in respect of such Services between it and a third party.

Early termination by the Recipient under the preceding paragraph will obligate the Recipient to pay the Provider the “early termination fees” pursuant to the amounts, prescribed in the Schedule for such Services and such circumstances.

Upon the receipt of a Termination Notice, the Provider will inform the Recipient immediately, to the reasonable and workable extent, as to whether early termination of such Services will result in the termination or partial termination, or otherwise affect the provision of, certain other Services. If this will be the case, the Recipient may withdraw its Termination Notice within ten (10) days. If the Recipient does not withdraw the Termination Notice within such period, such termination will come into effect and the Recipient will be deemed to have agreed to or recognized the termination, partial termination or affected provision of such other Services caused by such termination and to pay the early termination fees.

4.2 Termination by the Provider

The Provider may terminate one or more or all of the Services by giving a written notice to the Recipient pursuant to the required notice period for such termination provided in the Schedule, if the Provider ceases to perform such Services for itself and its Affiliates.

Without prejudice to the preceding provisions of this Article 4.2, if the Recipient breaches any material provision of this Agreement (including a failure to timely pay an invoiced amount), the Provider may terminate this Agreement by giving a written notice to the Recipient; provided, however, the Recipient will have thirty (30) days after receiving such written notice to cure such breach if curable. If the Recipient fails to cure such breach within the preceding period, the termination will become effective.

4.3 Termination upon Expiration

Unless early terminated in accordance with provisions hereof, the Services shall be terminated by close of business of the last day of the relevant Service Period, except that the relevant Parties have agreed in writing to extend such Service Period.

4.4 Effect of Termination of Services

- (i) In the event of any termination of a part of the Services, this Agreement will continue in full force and effect with respect to the other Services not so terminated.
- (ii) For each of the terminated Services, upon the termination, the Recipient will promptly pay to the Provider all the Service Charges accrued through the effective date of the termination.
- (iii) In connection with the termination of a particular Service, the Provider will, on or before the last day of the relevant Service Period, cooperate and procure its Affiliates to cooperate fully in order to deliver data and information concerning the Service to the Recipient within the period reasonably agreed upon by the relevant Parties.

Article 5 Liabilities for Breach

Without prejudice to any other provisions of this Agreement, if any Party (the “**Breaching Party**”) is in breach of any provision hereof, the Party who does not commit a breach has the right to require that the Breaching Party rectify it or take a remedial action within a reasonable period and to require that the Breaching Party indemnify it against all its losses incurred as a result of the breach.

Article 6 Confidentiality

6.1 Regardless of the termination of this Agreement, each Party is obligated to keep strictly confidential trade secrets, proprietary information, clients’ information and all other information of confidential nature related to other Parties that are known to the former Party during the course of its execution and performance of this Agreement (the “**Confidential Information**”). Unless as agreed to by the Party who disclosed the Confidential Information, or as required by the relevant applicable laws, regulations or rules of applicable stock exchange, the receiving party of the Confidential Information (the “**Receiving Party**”) shall not disclose to any third party any of such Confidential Information. Except for the purpose of performing this Agreement, the Receiving Party shall not use any Confidential Information.

6.2 The Confidential Information does not include:

- (a) the information that has been lawfully acquired by the Party receiving the information before as demonstrated by certain written evidence;
- (b) the information entering the public domain without attribution to any fault of the Party receiving the information; and
- (c) the information lawfully acquired by the Party receiving the information from other sources after being received by the Party.

6.3 For the purpose of performance of this Agreement, the Receiving Party may disclose Confidential Information to its relevant employees, agents or professionals engaged by it. However, the Receiving Party shall ensure that such persons shall abide by the relevant terms and conditions of this Article 6, and shall assume any liability incurred as a result of the breach by any of such persons of the relevant terms and conditions of this Article 6.

6.4 Notwithstanding any other provision of this Agreement, the effect of this Article 6 shall not be affected by the termination of this Agreement.

Article 7 Notices

7.1 All notices, requests, demands and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Parties to the following addresses or any other addresses notified by a Party to other Parties by sending a ten (10) day notice in writing:

If to Shanghai Real Estate Sales (Group) Co., Ltd.:

Attention: Li-Lan Cheng , Chief Operating Officer
Facsimile: +86 (21) 6133 0707
Email: chenglilan@ehousechina.com

If to Leju Entities:

Address: 15th Floor Shoudong International Tower, Building 5 Guangqu Jiayuan, Dongcheng District, Beijing, PRC
Postcode: 100022
Attention: Yingyu He , Chief Executive Officer
Facsimile: +86 (10) 8722 4920
Email: yinyu@leju.com

- 7.2 All of the above notices shall be deemed served : (i) if sent in person, upon delivery; (2) if sent by mail, on the fifth (5) day after posting; (3) if sent by courier, on the second (2) day after deposited with a reputational courier; (4) if sent by email, twenty-four (24) hours after shown transmitted in email system of the sending party; and (5) if sent by fax, twenty-four (24) hours after dispatch and upon receipt of an electric confirmation.

Article 8 Force Majeure

If any Party fails or delays in the performance of any terms or provisions hereof, in whole or in a part, because of acts of God such as storm, flood, fire and etc., or war, riots, strike, or changes to policies and laws and any other event, which is neither under the control of the Party whose performance is interfered with nor be preventable by the exercise of reasonable efforts of such Party (each, a “**Force Majeure Event**”), then upon a prompt notice sent to other Parties, the suffering Party will, during the duration of the Force Majeure Event, be excused from its obligations hereunder that cannot be performed timely due to such Force Majeure Event, unless that the suffering Party fails to use reasonable efforts to remedy the situation and to remove the cause and effect of the Force Majeure Event.

Article 9 Miscellaneous

- 9.1 In respect of the subject matter provided herein, to the extent permitted by the applicable laws and regulations, with respect to anything not explicitly provided herein, the relevant applicable provisions of the Offshore Transitional Services Agreement (as amended if necessary) shall apply, as if the Provider hereunder were the “Provider” under the Offshore Transitional Services Agreement and the

10

Recipient hereunder were the “Recipient” under the Offshore Transitional Services Agreement.

- 9.2 This Agreement is written in Chinese in two (2) originals. E-House Shanghai and Leju Entities (as one party) shall hold one (1) original. Each Party may otherwise execute any number of originals.
- 9.3 The formation, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by laws of the PRC.
- 9.4 Any dispute arising out of or in connection with this Agreement shall be resolved by the Parties through consultation. In the event the Parties fail to agree with each other within thirty (30) days after the dispute arises, either Party may submit the dispute to China International Economic and Trade Arbitration Commission for arbitration in Shanghai in accordance with the arbitration rules thereof effective at the submission of the application for arbitration. The arbitration shall be conducted in Chinese. The arbitration award shall be final and binding upon the Parties.
- 9.5 Any right, power or remedy granted to each of the Parties by any provision of this Agreement shall not preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and any Party’s exercise of any of its rights, powers or remedies shall not preclude its exercise of any other rights, powers or remedies that it is entitled to.
- 9.6 A Party’s failure or delay in exercising any of its rights, powers or remedies that it is entitled to under this Agreement or under the laws (the “**Available Rights**”) shall not constitute its waiver of such rights, nor shall any single or partial waiver of any Available Rights by a Party preclude its exercise of those rights in another manner or its exercise of any other Available Rights.
- 9.7 Each provision herein is separable and independent from all other provisions herein. If any one provision or more provisions of this Agreement become invalid, illegal or unenforceable at any time, the validity, legality and enforceability of other provisions herein shall not be affected.
- 9.8 Unless otherwise expressly set out herein, no modifications or supplement to this Agreement shall take effect unless it is made in writing and properly executed by the Parties hereto. The Appendix and the Schedule hereto shall be integral parts of this Agreement and have the same force and effect as this Agreement.
- 9.9 The Recipient may assign its rights under this Agreement to any Affiliate or Affiliates thereof without the consent of the Provider. The Provider may assign, without the consent of the Recipient, its rights and obligations hereunder to (i) one or more of its Affiliates that has the capability to provide the relevant

11

Service and the qualification required by the applicable laws and regulations (if any); or (ii) any third party regularly providing the similar Services to the Provider or its Affiliates. Except as provided in the preceding sentences of this Article 9.9, neither Party may assign any right and/or obligation hereunder to any third party without the prior written consent of other Parties.

- 9.10 This Agreement shall be binding on the legal successors of the Parties hereto.
- 9.11 The headings in this Agreement are written for the ease of reference only, and in no event, shall be used for, or affect, the interpretation to this Agreement.

9.12 Unless otherwise expressly set out herein, each Party will pay its own costs and expenses incurred for the negotiation, drafting, execution and performance of this Agreement. And each Party shall be responsible for all taxes that are payable by it according to the applicable laws as a result of the execution, performance and consummation of the transactions contemplated hereunder.

[The remainder of this page intentionally left blank]

12

IN WITNESS WHEREOF, this Transitional Services Agreement is executed by the following Parties on the date first written above.

/s/ **Shanghai Real Estate Sales (Group) Co., Ltd.**

/s/ **Shanghai SINA Leju Information Technology Co., Ltd.**

/s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

/s/ **Shanghai Yi Yue Information Technology Co., Ltd.**

/s/ **Shanghai Yi Xin E-Commerce Co., Ltd.**

13

IN WITNESS WHEREOF, this Transitional Services Agreement is executed by the following Parties on the date first written above.

/s/ **Beijing Maiteng Fengshun Science and Technology Co., Ltd.**

/s/ **Beijing Jiajujiu E-Commerce Co., Ltd.**

/s/ **E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd**

14

Appendix

List of Leju Entities

Name: Shanghai SINA Leju Information Technology Co., Ltd.
Registered address: Unit 01, 37th Floor, Block 4, Jin Mao Tower, 88 Century Avenue, Pudong New Area, Shanghai

Name: Beijing Yisheng Leju Information Services Co., Ltd.
Registered address: Room 806-810, Ideal International Plaza, 58 Sihuanxi Road, Haidian District, Beijing

Name: Shanghai Yi Yue Information Technology Co., Ltd.
Registered address: Room 103, Building 1, 84 Lane 453, Hutai Road, Shanghai

Name: Shanghai Yi Xin E-Commerce Co., Ltd.
Registered address: Room 404, Building 1, 84 Lane 453, Hutai Road, Shanghai

Name: Beijing Maiteng Fengshun Science and Technology Co., Ltd.
Registered address: Room 811, 58 Sihuanxi Road, Haidian District, Beijing

Name: Beijing Jiajujiu E-Commerce Co., Ltd.
Registered address: Room 905, 9th Floor, Building 5, Guangqu Jiayuan, Dongcheng District, Beijing

Name: E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd
Registered address: Room 403, Building 4, 1 Wenshuizhi Road, Zhaibei District, Shanghai

15

Schedule

Services

Types of Services:

1. Accounting Support Services
2. Administrative Support Services
3. Internal Control and Internal Audit Support Services
4. Legal Support Services

5. Public Relations Services
6. Customer Service Support Services

Provider: Shanghai Real Estate Sales (Group) Co., Ltd. or its Affiliates

Recipient: Leju Entities or their Affiliates

Scope and Annual Volume of Each Type of Services: Based on the Recipient's reasonable request subject to the terms of this Agreement, provided that the Provider actually performs relevant Service for itself or its Affiliates.

Service Fees: The actual Direct Costs and Indirect Costs of providing relevant Services. **Direct Costs** shall include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the Services as well as materials and supplies consumed in performing the Services. **"Indirect Costs"** shall include occupancy, IT supervision and other overhead burden of the department incurring the direct costs of providing the Service.

Required Notice Period for Termination by Recipient Pursuant to Article 4.1 of this Agreement:90 days

Required Notice Period for Termination by Provider Pursuant to Article 4.2 of this Agreement:90 days

Shanghai Real Estate Sales (Group) Co., Ltd.

and

Beijing Yisheng Leju Information Services Co., Ltd.

Shanghai Yi Xin E-Commerce Co., Ltd.

Beijing Jiajujiu E-Commerce Co., Ltd.

Cooperation Agreement

Dated March 10, 2014

Cooperation Agreement

This Cooperation Agreement (this “**Agreement**”) is entered into on March 10, 2014 by and between the following parties:

1 **Shanghai Real Estate Sales (Group) Co., Ltd. (“E-House Shanghai”)**

Registered Address: Room 308, Building 1, No. 1376 Jiangdong Road, Pudong New District, Shanghai

2 **Beijing Yisheng Leju Information Services Co., Ltd.**

Registered address: Room 806-810, Ideal International Plaza, 58 Sihuanxi Road, Haidian District, Beijing

3 **Shanghai Yi Xin E-Commerce Co., Ltd.**

Registered address: Room 404, Building 1, 84 Lane 453, Hutai Road, Shanghai

4 **Beijing Jiajujiu E-Commerce Co., Ltd.**

Registered address: Room 905, 9th Floor, Building 5, Guangqu Jiayuan, Dongcheng District, Beijing

(The parties as set out in paragraphs (2), (3) and (4) above are referred to individually as “**Leju Entity**” and collectively as “**Leju Entities**”)

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”.)

WHEREAS:

1. E-House Shanghai is a company registered, established and legally existing in Shanghai, the PRC. E-House Shanghai and its Affiliates (as defined below) are engaged in the business of primary real estate agency services.
2. Each of Leju Entities is a company registered, established and legally existing under laws of the PRC. Leju Entities and its Affiliates (as defined below) are engaged in online real estate services, including e-commerce, online advertisement and online listing services.
3. As the target customers group for the business of the Parties is similar and the same customer may simultaneously need various types of service to be provided by the Parties respectively, the Parties intend to cooperate with each other in their business activities in order to expand their respective business scale.

THEREFORE, through friendly negotiation, the Parties agree as follows:

Article 1 Definitions

Unless otherwise provided in this Agreement, the following terms in this Agreement shall have the meanings as defined below.

“**Affiliate**” of E-House Shanghai means an entity established in the PRC under the PRC laws which controls, is controlled by, or is under common control with E-House Shanghai, and which is engaged in the business of primary real estate agency services, excluding the Leju Group; “**Affiliate**” of any Leju Entity means an entity established in the PRC under the PRC laws which controls, is controlled by, or is under common control with Leju Entity, and which is engaged in online real estate services, including e-commerce, online advertisement and online listing services, excluding E-House Group.

“**Contact Person**” means the contact person of each Party and its Affiliates as designated by such Party to the other Parties to receive the Demand Notice sent by the other Parties pursuant to this Agreement.

“**Control**” means the ability to, directly or indirectly, direct the management and affairs of an entity, whether through ownership of voting equity or shares, by contract or otherwise.

“**E-House**” means E-House (China) Holdings Limited, a company established under the laws of the Cayman Islands.

“**E-House Group**” means E-House and any entity controlled by E-House, excluding any member of the Leju Group.

“**Leju**” means Leju Holding Limited, a company duly established under the laws of Cayman Islands.

“**Leju Group**” means Leju and any entity controlled by Leju.

“**Principal Business**” of E-House Shanghai and its Affiliates refers to the business of primary real estate agency services; “Principal Business” of Leju Entity and its Affiliates refers to the business of online real estate services, including e-commerce, online advertisement and online listing services.

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

Article 2 Share of Demands Information

2.1 During the Agreement Term (as defined below), if any Party or any of its Affiliates (the “Notifying Party”) is aware, in its business operation or otherwise, that its customers, suppliers or other business partners (including the current and potential

ones, collectively referred to as the “Demanding Party”) have or may have any demand for the products and/or services of the Principal Business of any other Party or its Affiliates (the “Demand”), the Notifying Party agrees to notify the Contact Person of such other Party or its Affiliates (the “Notified Party”) in writing of such Demand as soon as possible (the “Demand Notice”), to the extent not in violation of any applicable law and the confidentiality obligations and any other covenants under any contract binding upon the Notifying Party.

2.2 A Demand Notice shall at least include the name and contact information of the Demanding Party, and a brief description of the Demand, to the extent not in violation of any applicable law and the confidentiality obligations and any other covenants under any contract binding upon the Notifying Party.

2.3 The Notified Party may request the Notifying Party to provide more detailed information of the Demand described in the Demand Notice after its receipt of the Demand Notice from the Notifying Party. The Notifying Party agrees to inform the Notified Party of the information related to such Demand as required by the Notified Party and to the best knowledge of the Notifying Party, to the extent not in violation of any applicable law and the confidentiality obligations and any other covenants under any contract binding upon the Notifying Party.

Article 3 Cooperation in Developing Customers

3.1 Upon its receipt of the Demand Notice from the Notifying Party, the Notified Party may request the Notifying Party to refer to the Demanding Party the products and/or services of the Principal Business of the Notified Party. The Notifying Party agrees to refer to the Demanding Party the products and/or services of the Principal Business of the Notified Party, to the extent it deems commercially reasonable and feasible and in the manner it deems appropriate. For the purpose of the foregoing referral, at the request of the Notifying Party, the Notified Party agrees to, as soon as possible, provide the Notifying Party with the marketing and promotion materials of its products and/or services and other documents and materials as reasonably required by the Notifying Party.

3.2 For any communication and negotiation between the Notifying Party and/or the Notified Party and the Demanding Party, the Parties agree as follows.

- (1) Each of the Notifying Party and the Notified Party may choose to communicate and negotiate with the Demanding Party individually or jointly with the other Party, provided that if joint communication or negotiation with the Demanding Party is more favorable to promote the common interest of the Notifying Party and the Notified Party, the Notifying Party and the Notified Party agree to cooperate, to the extent commercially reasonable and feasible, with each other to communicate and negotiate with the Demanding Party jointly.
- (2) The Notified Party may request to the Notifying Party for participating in the communication and negotiation between the Notifying Party and the Demanding Party, in order to pitch the Demanding Party to be a customer of the Principal

Business of the Notified Party. The Notifying Party agrees, to the extent it deems commercially reasonable and feasible and in the manner it deems appropriate, to allow and to use commercially reasonable efforts to procure the Notified Party’s participation in such communication and negotiation between the Notifying Party and the Demanding Party.

- (3) The Notifying Party may also request the Notified Party to participate in the communication and negotiation between the Notifying Party and the Demanding Party. The Notified Party agrees, to the extent it deems commercially reasonable and feasible and in the manner it deems appropriate, to participate in such communication and negotiation between the Notifying Party and the Demanding Party.

3.3 For the agreement reached by the Notifying Party and/or the Notified Party with the Demanding Party after communication and consultation, the Parties agree as follows.

- (1) Subject to agreement by the Demanding Party, each of the Notifying Party and the Notified Party may choose to, individually or jointly with the other Party, execute legally binding business contracts, agreements or other written documents (the “Business Agreements”) with the Demanding Party, provided that if the Notifying Party and the Notified Party both deem it more favorable to jointly execute the Business Agreements with the Demanding Party in order to promote the common interest of the Notifying Party and the Notified Party, the Notifying Party and the Notified Party agree to jointly enter into the Business Agreements with the Demanding Party.
- (2) If the Notifying Party and the Notified Party jointly execute the Business Agreements with the Demanding Party, the Notifying Party and the Notified Party shall amicably consult with each other and agree on the allocation of the rights and obligations between the Parties based on the principle of fairness and with reference to the fair market price of the products and/or services provided thereby to the Demanding Party, and shall explicitly set forth such allocation of the rights and obligations between the Parties in the Business Agreements executed with the Demanding Party or the written documents separately executed by the Parties.

Article 4 Parties' Agreements

- 4.1 None of the Parties shall charge any fees for its support or cooperation provided to the other Parties under this Agreement, unless otherwise provided in Clause (2) of Article 3.3 of this Agreement or otherwise agreed by the relevant Parties in writing.
- 4.2 If any Affiliate of any Party to this Agreement shall be a Notifying Party or a Notified Party (as the case may be) under this Agreement pursuant to the above provisions of this Agreement, such Party shall cause such Affiliate to perform the obligations of the Notifying Party or the Notified Party (as the case may be) in accordance with the terms and conditions of this Agreement.
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- 4.3 Each Party undertakes to perform this Agreement in the manner in compliance with the PRC laws, including but not limited to, for the purpose of abiding by the requirements of the PRC laws, designating an Affiliate of such Party with the relevant business qualification to exercise the rights of such Party under this Agreement and to perform the obligations of such Party under this Agreement, and, when the relevant Parties deem it necessary, causing the Affiliate of the relevant Party hereto, which actually performs this Agreement, to execute further agreements.
- 4.4 The Parties agree that, their respective offshore holding companies, as listed companies, have the right to review the Parties' performance of this Agreement (including the specific transactions conducted pursuant to this Agreement) from time to time in accordance with the listing rules, internal corporate governance guidelines and other regulatory requirements applicable thereto.

Article 5 Representations and Warranties

Each Party hereby represents and warrants to the other Parties that:

- (1) it is a company lawfully incorporated and validly existing under the PRC laws with an independent legal person status;
- (2) it has the full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may be an independent party to a lawsuit;
- (3) it has the full internal corporate power and authority to execute and deliver this Agreement and all other documents related to the transactions contemplated by this Agreement and to be executed thereby, and it has the full power and authority to consummate the transactions contemplated by this Agreement;
- (4) this Agreement is lawfully and duly executed and delivered by it, and shall constitute its legal and binding obligations and can be enforced against it in accordance with the terms of this Agreement; and
- (5) its execution, delivery and performance of this Agreement are not: (i) in violation of its articles of association or any other constitutional documents; (ii) in conflict with any agreement, contract or other document to which it is a party or which is binding upon its assets; or (iii) in violation of or in conflict with any applicable laws.

Article 6 Agreement Term

- 6.1 This Agreement shall come into effect upon the due execution of the Parties. Unless the Parties agree in writing to early terminate this Agreement or to extend the valid term of this Agreement, the valid term of this Agreement shall expire on the earlier of (i) the first date upon which the E-House Group ceases to collectively own in the aggregate at least 20% of the voting power of the then outstanding securities of Leju, or (ii) the first date upon which E-House, collectively with the other members of the E-House Group, ceases to be the largest beneficial owner of the then outstanding
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voting securities of Leju (for the purpose of this item (ii), without considering holdings of Leju's securities by institutional investors that have acquired Leju's securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Leju) (the "**Agreement Term**").

- 6.2 Each Party shall complete the approval and registration procedures for extension of business period within three (3) months prior to the expiration of its respective business period, in order to enable the Agreement Term to continue.

Article 7 Confidentiality

- 7.1 Regardless of whether this Agreement is terminated or not, each Party shall keep strictly confidential all the business secrets, proprietary information and all other information of a confidential nature about the other Parties known by it during the execution and performance of this Agreement (the "**Confidential Information**"). Unless a prior written consent is obtained from the Party disclosing the Confidential Information or it must be disclosed to third parties as required by the relevant applicable laws and regulations or the rules of applicable stock exchange, the Party receiving the Confidential Information (the "**Receiving Party**") shall not disclose to any third party any Confidential Information. The Receiving Party shall not use any Confidential Information other than for the purpose of performing this Agreement.
- 7.2 The following information shall not be deemed a part of the Confidential Information:
- (a) any information that has been lawfully acquired by the Party receiving such information before, as demonstrated by written evidence;
 - (b) any information entering the public domain not attributable to the fault of the Party receiving the information; or
 - (c) any information lawfully acquired by the Party receiving the information through other sources after its receipt of such information.
- 7.3 For purpose of performing this Agreement, the Receiving Party may disclose the Confidential Information to its relevant employees, agents or professionals retained by it. However, the Receiving Party shall ensure that the aforesaid persons comply with the relevant terms and conditions of this

Article 7. In addition, the Receiving Party shall be responsible for any liability incurred as a result of such persons' breach of the relevant terms and conditions of this Article 7.

7.4 Notwithstanding any other provisions of this Agreement, the effect of this Article 7 shall not be affected by the termination of this Agreement.

Article 8 Notices

8.1 All notices, requests, demands and other correspondences required by this

Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Parties to the follow addresses or any other addresses notified by a Party to other Parties by sending a ten (10) day notice in writing:

If to Shanghai Real Estate Sales (Group) Co., Ltd.:

Address: 11th Floor Qiushi Building, No.383 Guangyan Road, Zhabei District, Shanghai, PRC

Postcode: 200072

Attention: Li-Lan Cheng, Chief Operating Officer

Facsimile: +86 (21) 6133 0707

Email: chenglilan@ehousechina.com

If to Leju Entities:

Address: 15th Floor Shoudong International Tower, Building 5 Guangqu Jiayuan, Dongcheng District, Beijing, PRC

Postcode: 100022

Attention: Yingyu He, Chief Executive Officer

Facsimile: +86 (10) 8722 4920

Email: yinyu@leju.com

8.2 All of the above notices shall be deemed served: (i) if sent in person, upon delivery; (2) if sent by mail, on the fifth (5) day after posting; (3) if sent by courier, on the second (2) day after deposited with a reputational courier; (4) if sent by email, twenty-four (24) hours after shown transmitted in email system of the sending party; and (5) if sent by fax, twenty-four (24) hours after dispatch and upon receipt of an electric confirmation

Article 9 Defaulting Liability

If any Party (the "**Breaching Party**") is in breach of any provision hereof, the Party who does not commit a breach has the right to require that the Breaching Party rectify it or take a remedial action within a reasonable period and to require that the Breaching Party indemnify it against all its losses incurred as a result of the breach.

Article 10 Force Majeure

If any Party fails or delays in the performance of any term or provision hereof, in whole or in a part, because of acts of God such as storm, flood, fire and etc., or war, riots, strike, or changes to policies and laws and any other event, which is neither under the control of the Party whose performance is interfered with nor be preventable by the exercise of reasonable efforts of such Party ("**Force Majeure Event**"), then upon a prompt notice to other Parties, the suffering Party will, during the duration of the Force Majeure Event, be excused from its obligations hereunder that cannot be performed timely due to such Force Majeure Event and such Party will not bear any liability thereof, unless that the suffering Party fails to use reasonable efforts to remedy the situation and to remove the cause and effect of the Force Majeure Event.

Article 11 Miscellaneous

11.1 This Agreement is written in Chinese in four (4) originals. Each Party of this Agreement shall hold one (1) original.

11.2 The execution, effectiveness, performance, revision, interpretation and termination of this Agreement shall be governed by the laws of the PRC.

11.3 Any dispute arising out of and in connection with this Agreement shall be resolved through consultations among the Parties. In case the Parties fail to reach agreement within thirty (30) days after the dispute arises, any Party may submit the dispute to China International Economic and Trade Arbitration Commission for arbitration in Shanghai in accordance with such Commission's then-effective arbitration rules. The arbitration shall be conducted in Chinese. The arbitration award shall be final and binding on the Parties.

11.4 None of the rights, powers or remedies granted to each Party by any provision of this Agreement shall preclude any other rights, powers or remedies that such Party is entitled to under the laws and under any other provisions of this Agreement, and the exercising by one Party of any of its rights, powers and remedies shall not exclude such Party from exercising any of its other rights, powers and remedies..

11.5 No failure or delay by a Party in exercising any rights, powers and remedies available to it hereunder or at law (the "Party's Rights") shall result in a waiver thereof, nor shall the waiver of any single or partial exercise of the Party's Rights shall exclude such Party from exercising such rights in any

other way and exercising the other Party's Rights.

- 11.6 Each provision contained herein shall be severable and independent from each of the other provisions. If any one or more provisions herein become(s) invalid, illegal or unenforceable at any time, the validity, legality and enforceability of the remaining provisions herein shall not be affected as a result thereof.
- 11.7 Any amendment or supplement hereto shall be made in writing and shall become effective only upon due execution by the Parties hereto.
- 11.8 Without the prior written consent of the other Parties, each Party shall not transfer any of its rights and/or obligations hereunder to any third party.
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- 11.9 This Agreement shall be binding on the lawful successors of the Parties.
- 11.10 The headings herein are used for ease of reference only, and in no event shall such headings be used for or affect the interpretation of the provisions hereof.
- 11.11 Unless otherwise expressly set out herein, each Party shall pay its own costs and expenses incurred in connection with the negotiation, drafting, execution and performance of this Agreement. Each Party shall be responsible for all taxes payable by it under applicable laws incurred from the execution, performance and consummation of transactions as contemplated hereby.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Cooperation Agreement is executed by the following Parties as of the date first written above.

/s/ **Shanghai Real Estate Sales (Group) Co., Ltd.**

/s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

/s/ **Shanghai Yi Xin E-Commerce Co., Ltd.**

/s/ **Beijing Jiajujiu E-Commerce Co., Ltd.**

INTERNET CHANNEL COOPERATION AGREEMENT

Contract Number: 181015BD0120

Party A: **Beijing Baidu Netcom Science and Technology Co., Ltd.**
 Address: Baidu Building, 10 Shangdi 10th Street, Haidian District, Beijing
 Contact: HOU Gang
 Telephone: 010-59927171
 Fax: 010-59920021

Party B: **China Online Housing (Hong Kong) Co., Ltd.**
 Address: 8/F, Ideal International Plaza, 58 Beisihuan Xilu, Haidian District, Beijing
 Contact:
 Telephone: 010-58951000
 Fax: 010-58951005

Party C: **Beijing Yisheng Leju Information Services Co., Ltd.**
 Legal representative: ZHU Xusheng
 Authorized signatory:
 Address: 8/F, Ideal International Plaza, 58 Beisihuan Xilu, Haidian District, Beijing
 Contact:
 Telephone: 010-58951000
 Fax: 010-58951005

In this Agreement, Party A, Party B and Party C individually a "Party", collectively the "Parties". The transaction contemplated to be jointly conducted by Party A and Party B hereunder is referred to as the "Operation".

WHEREAS:

1. From its formation in January 2000, Party A has been providing search technology services with the mission to provide the public with easy access to information. It has completed transformation from a back-office technology provider to an independent search services provider for the public and is the first operator of competitive ranking in the PRC. The www.baidu.com operated by Party A has grown into the largest Chinese website and Chinese search engine in the world.
2. Party B is a leading online and offline real estate information and consulting services provider in the PRC. The SINA Leju operated by Party B is a leading real estate and home furnishing network information network in the PRC, having plentiful and quality database on real estate (including new, used and leased real estate), home and furniture.
3. Party A and Party B through negotiations agree to conduct comprehensive cooperation in real estate and home furnishing information services by capitalizing on their respective advantages, including their strategic cooperation on the formation of a real estate and home furnishing channel by Party A. Both Parties will jointly launch Baidu Leju Real Estate and Home Furnishing Channel for which Party B will be wholly responsible for its construction. Party B will form a dedicated team and, to the extent permitted by Party A, conduct a whole new design of all information, products and data of Party A on real estate, used homes, home and furniture, so as to present the existing services of Party B to the

1

customers of Party A through the channels of Party A. Meanwhile, Party B will be responsible for all operations of the advertising or any other businesses in connection with the real estate and home furnishing channel of Party A according to agreement. Party A will use promotional resources to provide full assistance in Party B's efforts in customer development and traffic expansion.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I
DEFINITION AND INTERPRETATION

1.1 Definition

Unless otherwise defined in the context, in this Agreement:

- (a) **PRC Laws** mean any laws, regulations, rules and regulatory documents in the PRC which are current and will be issued going forward.
- (b) **Business Secrets** mean any technical, financial, commercial or any other information owned and treated as business secrets by one Party and/or its subsidiaries or affiliates, which have the following attributes:
 - (i) It is unknown to the public;
 - (ii) It may generate economic benefit for its owner;
 - (iii) It is practical; and
 - (iv) It is treated as business secrets with appropriate protection measures by its owner.
- (c) **Effective Date** means the date of this Agreement.

(d) **Force Majeure** means the occurrence of any acts of God or man-made disasters or accidents during the term of this Agreement which is unforeseeable or, if foreseeable, unavoidable, or uncontrollable and make it impossible for one Party to perform this Agreement in a whole, including earthquakes, typhoons, floods, fires, wars, strikes, riots, hacker attacks, technical breakdown of telecommunication departments, and legal restrictions.

(e) **Baidu Net/Party A's Website** means the Internet website owned by Party A whose domain name is http://www.baidu.com, through which Party A provides search services to its users.

(f) **Leju Net/Party B's Website** means the Internet website owned by Party B whose domain name is http://www.leju.com.

(g) **First Tier Channel on Baidu Net** means any of the channels with the headings of news; real estate and home furnishing; tie bar; Zhidao; and entertainment in the product lists of Baidu Net.

(h) **Second Tier Channel of Baidu Net** means any of the channels with the headings of real estate, used homes, and decorations in the real estate and home furnishing channel of Baidu Net.

2

(i) **Real Estate and Home Furnishing Channel/Cooperation Channel** means a First Tier Channel on Baidu Net jointly constructed by Party A and Party B, whose channel name and domain name is Baidu Leju Real Estate and Home Furnishing Net (the "Baidu Leju") and leju.baidu.com, respectively.

(j) **Category** means the webpage publishing a certain type of information under each level of the channels on Party A's Website. The homepage of each channel consists of multiple categories.

1.2 Interpretation

(a) Any date in this Agreement means its calendar date.

(b) The headings in this Agreement are for convenience only and will not affect the meaning or interpretation of any part of this Agreement.

(c) Singular form of any word include its plural form as required in the context, and vice versa.

(d) Any reference to the article, section and paragraph means the article, section and paragraph of this Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

2.1 Legal Status

Each Party represents and warrants to the other Parties that as of the date of this Agreement:

(a) It is qualified to conduct the transaction contemplated under this Agreement, and such transaction is in line with its scope of business;

(b) It has the full power to enter into this Agreement and perform its obligations hereunder;

(c) Its authorized representative has full authority to sign this Agreement on its behalf (a photocopy of which authorization letter will be provided upon request of the other Parties); and

(d) To its knowledge, it has disclosed all of the documents issued by the local government having jurisdiction over the place where it is incorporated or its business address is located which may have material adverse effect upon performance of its obligations under this Agreement; and it is not a party to any liquidation, dissolution or bankruptcy proceedings.

2.2 Legal Effect

(a) As of the date of this Agreement, it is bound by this Agreement.

(b) It warrants that none of its execution, delivery and performance of this Agreement or conduct of any transaction contemplated hereunder is in violation of any PRC laws or any agreement to which it is a party.

(c) Prior to the date of this Agreement, it has presented its business license

3

which has passed annual inspection for the current year to the other Parties, the sealed copy of which business license will be provided to the other Parties.

ARTICLE III TERM OF THIS AGREEMENT

3.1 Term

(a) This Agreement will be effective as of the date of its execution, and term of the Cooperation will be four years from the date on which the channel is uploaded.

(b) The channel is expected to be uploaded on August 1, 2010.

(c) As of the date of this Agreement, both Party A and Party B will cooperate to complete all preparatory work in connection with the Cooperation channel contemplated under this Agreement, so as to ensure smooth upload of the Cooperation channel.

3.2 Extension

Upon expiration of this Agreement, with all conditions being equal, Party B has the preferential right to continue Cooperation with Party A in respect of the real estate channel. If both Party A and Party B continue their Cooperation, they will negotiate to reach an agreement to that effect no less than one month prior to the expiration of this Agreement.

3.3 Phases of Cooperation (subject to the actual date of the upload of the channel)

Phase I will commence on August 1, 2010 and end on July 31, 2011.

Phase II will commence on August 1, 2011 and end on July 31, 2012.

Phase III will commence on August 1, 2012 and end on July 31, 2013.

Phase IV will commence on August 1, 2013 and end on July 31, 2014.

ARTICLE IV CONTENT AND SCOPE OF COOPERATION

It is agreed that the Cooperation contemplated under this Agreement will consist of:

- (i) formation of the Cooperation channel;
- (ii) advertising operation of the Cooperation channel;
- (iii) promotion of the Cooperation channel; and
- (iv) cooperation with any other products.

The details of the Cooperation are as follows:

4

4.1 Formation of the Cooperation Channel

(a) During the term of this Agreement, Party B will use the Baidu's Real Estate and Home Furnishing Channel as the jointly formed channel of Party A and Party B. Party A grants all-round exclusive rights to Party B to construct, maintain and operate the Cooperation channel. As the owner of www.baidu.com, Party A has ownership and control over second tier domain names. Party A has the right to deprive Party B of the operating rights of the website without any liability if Party B is found in violation of any law. Party A is required to receive written consent from Party B prior to its adjustment of any second tier domain names which is under independent operation of Party B.

(b) Party A authorizes Party B to maintain and construct all of the contents under the second tier domain names as follows:

- (i) Leju.baidu.com
- (ii) House.baidu.com
- (iii) Jiaju.baidu.com
- (iv) Fangyou.baidu.com
- (v) Esf.baidu.com
- (vi) Rent.baidu.com
- (vii) Dichan.baidu.com
- (viii) Jiancai.baidu.com

(c) Party B will be solely responsible for the sponsorship, operation, upgrade, and maintain of Baidu Real Estate and Home Furnishing Channel, including provision of bottom-level webpage and systems, integration of the data, information and intelligence provided by users relating to real estate and home furnishing on the Cooperation channel, and provide related maintenance and support to end-users. Party B has the discretion to arrange the layout and linkage of the channels, categories, articles and data relating to real estate and home furnishing on the Cooperation channel.

(d) The reformed Cooperation channel will still exist as a real estate and home furnishing channel, a First Tier Channel of Baidu Web, whose domain name is leju.baidu.com. The homepage of the Cooperation channel will be designed to give full presentation of the cooperation between the two Parties.

(e) During the term of this Agreement, Party A will add the Cooperation channel to the linkage access to the *real estate and home furnishing* in the product list page of Baidu Net (<http://www.baidu.com/more/>).

(f) Party B will be responsible for development of each level of webpage of the Cooperation channel, and has control, approval and discretion over its design, layout and appearance. It is agreed by both Parties that the homepage of the Cooperation channel will have a domain name of leju.baidu.com, which may be reformed according to the design and layout of Party B, or remains consistent with the overall style of Party A's Net. If it remains consistent with the style of Party A's Net, Party B will ensure no material change be made to the brand

5

image of Party A or any webpage relating thereto, provided that any design planned by Party B is subject to consent of Party A.

(g) Except for the homepage of the Cooperation channel, any other sub-channels, categories and articles within the Cooperation channel is subject to design and layout of Party B at its sole discretion. Such sub-channels, categories and articles may all use the domain name of Party B's Net or Party A's Net, such as baidu.leju.com/esf or baidu.leju.com/vjaju.

(h) The contents, operations, products, services, images, texts and super links of the Cooperation channel will be operated on the server of Party B. Party B will be solely responsible for the servers, bandwidth and any other facilities necessary for the Cooperation channel. Party B has sole control, approval and discretion over the contents, operations, products, services, images, texts and super links in or included in the Cooperation channel, as well as to include which and how to include any existing information or services on the Party B's Net into the Cooperation channel through super links.

(i) Party B warrants that none of the articles, contents and web pages of the Cooperation channel is in violation of PRC laws or any international treaty to which the PRC is a signatory, including without limitation any content detrimental to national security, of pornographic, fraudulent, insulting, defamatory, hectoring or harassing nature, infringing upon the copyrights, personal rights or any other valid rights and interests of any other parties or in breach of any social customs, or any linkage thereto. If Party A receives any complaint regarding the content of the Cooperation channel, Party B shall resolve such complaint immediately, negotiate with or respond to any review or enquiry from any third party or competent authorities at its own expenses, and be liable for any loss incurred by Party A.

(j) To ensure legality of the contents within the Cooperation channel, Party B will make the contact of its customer services conspicuously displayed at the homepage of the Cooperation channel, and keep its users of the way to file a complaint upon occurrence of any tort or law-breaching incidents. Party B will respond to any complaint within a reasonable upon receipt thereof, which response process is subject to approval of Party A. If Party B receives any complaint of any third party regarding the tort or breach of any content in the Cooperation channel which is forwarded from Party A, Party B will delete such content within 24 hours or notify Party A of its responsive measures.

(k) Party A will cooperate with Party B to handle any agreement relating to cooperation regarding real estate and home furnishing channel which has not been fully performed by the date of this Agreement. It is agreed that party A will disclose to Party B all of its agreements regarding Cooperation Channel which are valid as of the date hereof, and Party B reserves the option to agree or waive its acceptance of such agreement according to its circumstances. If Party B agrees to accept part of such agreements, the confidentiality and transfer of debts and claims under such agreements will be subject to special agreement of the other party thereto, and Party A will perform the tasks set forth under Section 4.1(k) with reasonable care.

(l) Party A hereby agrees to take all actions necessary for cooperation between the client of Cooperation Channel with Party B and the transfer mentioned above, including:

(i) Within ten (10) business days upon execution of this Agreement,

6

provide to Party B a schedule listing all agreements regarding Cooperation Channel which are valid as of the date hereof as well as a copy of all such agreements;

(ii) Within ten (10) business days upon execution of this Agreement, provide to Party B a correct and detailed financial statement reflecting all accounts receivable and payable, including any payment made by Party A or the client under any outstanding agreement with the note whether such payment is for completed or uncompleted services.

(iii) Within ten (10) business days upon execution of this Agreement, provide to Party B a client document (including the name, position and the residence of its person in charge) for follow-up and maintenance efforts by Party B; and

(iv) Introduce Party B to its clients as the new communicator and the successor of Party A.

4.2 Advertising on the Cooperation Channel

(a) Party A agrees that the pricing, specifications and contents of the advertising on the Cooperation Channel is subject to sole discretion of Party B. Party B has absolute and sole control, approval and discretion regarding the advertising operation of the Cooperation Channel, may conduct and benefit from legal advertising operations at its sole discretion.

(b) Party A will provide to Party B the authorization and any other legal documents necessary for Party B to conduct advertising operation on the Cooperation Channel, and provide good-faith support in connection with coordination and promotion necessary in such advertising operation.

(c) Party A will provide assistance to Party B in installing and commissioning advertising management and release system on the Cooperation Channel to ensure smooth management of the advertising on the Cooperation Channel by Party B. Party B has sole discretion to

use the advertising management and release system of its own or from Party A.

(d) Party B will be liable for its advertising operation, and will handle and be held liable for any dispute, complaint or government investigation or penalty arising from the content or release of its advertising. Party B will be held liable for any loss incurred by Party A as owner of the website resulting from Party B's conduct.

(e) Without prior consent of Party B and during the term of this Agreement, Party A may not release advertising or promotion information, or any other information or linkage against law or industrial standards on the Cooperation Channel.

(f) Party B has the right to conduct marketing activity in the name of Baidu Leju Real Estate and Home Furnishing Net, provided that such conduct will not appear as if Party B represents Baidu or Party B and Baidu has any relationship other than that provided under this Agreement.

(g) Party A represents and warrants that Party B will not be liable for any cost, expense, damage, loss, indemnity, tax, levy, action or claim regarding any client incurred prior to the date of this Agreement.

7

4.3 Promotion of the Cooperation Channel

(a) During the term of this Agreement, Party A undertakes to promote the key word (including any of the key words relating to real properties, building material products and home furnishing) involved in the Cooperation Channel. Party A warrants that such key word will be promoted on the open search platform of Baidu and preferentially displayed at the left side of the search result pages, the exact display position of which is subject to separate agreement between the Parties. The search results will link to the real estate and home furnishing channel under cooperation of the Parties. The key words will be provided to Party B to Party A, and the information included in any of the key words and their search results will be in compliance with laws and regulations, as well as business rules of Party A, including without limitation user's experience. Party B agrees that Party A may modify the display of search results out of consideration relating to user experience, provided that such modification will not materially change the display, content and position of the search results. Party A will be deemed in breach of this Agreement if it is required to modify search results pursuant to laws, regulations, court rulings or other mandatory documents.

(b) During the term of this Agreement, Party A undertakes to provide to Party B Baidu network promotion resources equal to RMB10 million for each cooperation period from its commencement. Party A will provide such resources to Party B through a separate account for promotion of the Cooperation Channel at the discretion of Party B. Party B must use up the resources within the period provided under this Agreement and any remaining resources will be cancelled as of the commencement of the next cooperation period. Additionally, Party A agrees to provide support for Party B's promotion at Baidu picture search, Baidu Zhidao, Baidu Baike, Baidu Search Chart, Hao123 and other Baidu products. Party A will provide assistance for Party B in effective promotion of search results, the details of which are subject to separate agreement of the Parties.

(c) Party A undertakes to provide support for Party B in marketing and promotional efforts, including without limitation joint promotional activities on Baidu leju Cooperation Channel.

4.4 Cooperation of Other Products

(a) During the term of this Agreement, Party A and Party B will conduct cooperation regarding Tieba products, the details of which are subject to supplemental agreement of the Parties. Party A undertakes not to make additional charge from Party B regarding Tieba products.

(b) During the term of this Agreement, Party A and Party B will conduct cooperation regarding Baidu Map products, the details of which are as follows:

(i) Party B will provide real estate, home furnishing and life related data required by Party A, and Party A will use its technological means to provide display platform for Party B at map.baidu.com, the details of which are subject to separate agreement of the Parties.

(ii) Subject to provision of relevant real estate information to Party A from Party B, Party A will display the real estate information, and any of its updates from time to time, provided by Party B on map.baidu.com

8

on preferential basis. Party A will deal with any failure to display such information as provided in the preceding sentence immediately upon notice for such effect from Party B in writing.

(iii) Party A and Party B have entered into agreement regarding map cooperation prior to this Agreement. Party B has the option to continue performing such agreement, or terminate such agreement and perform the Cooperation provided hereunder.

(c) During the term of this Agreement, Party A agrees to give preferential cooperation to Party B regarding Baidu news products.

Cooperation Fee

1. Cooperation Fee

The cooperation fee under this Agreement will be RMB200 million, of which RMB160 million will be channel cooperation fee and RMB40 million will be promotion fee for the Cooperation Channel. The cooperation fee will be payable in four installments as follows

(a) Within 15 business days after the date hereof, Party B will pay RMB50 million to Party A.

- (b) Within 15 business days after the end of the first cooperation period, Party B will pay another RMB50 million to Party A.
- (c) Within 15 business days after the end of the second cooperation period, Party B will pay another RMB50 million to Party A.
- (d) Within 15 business days after the end of the third cooperation period, Party B will pay the remaining RMB50 million to Party A.

2. Payment of Cooperation Fee

The channel cooperation fee provided under this Agreement will be payable by Party B or its designated entity to the following account of Party A at the expense of Party B, which payment could be in foreign currency at equivalent amount.

Beneficiary:	Beijing Baidu Netcom Science and Technology Co., Ltd.
Bank:	China Merchants Bank, Beijing Branch, Beisihuan Sub-branch
Account number:	866180198510001

ARTICLE V
RIGHTS AND OBLIGATIONS

5.1 Each of the Parties warrants that its execution and performance of this Agreement is in no violation of any third party interests or PRC laws.

5.2 Party B will be responsible for server configuration, bandwidth, operation, maintenance, users and user services management and development necessary for the Cooperation Channel, as well as any expenses and liabilities arising thereof.

5.3 Party B warrants that any and all information provided or released onto the Cooperation Channel during the Cooperation is in no violation of PRC laws, general code of

9

ethics and intellectual property and/or other legal interests of any third party and, upon occurrence of such violation, Party B will delete the violating information from the Cooperation Channel, resolve any dispute and be liable for any consequence arising thereof, and indemnify Party A for any loss incurred by Party A thereof.

5.4 Any delay of service by Party B due to any force majeure will be notified to Party A immediately, and Party B will take prompt measures to ensure performance of this Agreement;

5.5 Party A allows Party B to conduct any activity in the name of real estate and home furnishing website of Party A's website without violation of any laws and provisions under this Agreement, provided that such conduct will not appear as if Party B represents Baidu or Party B and Baidu has any relationship other than that provided under this Agreement.

5.6 Party B will be responsible for advertising operation of the real estate channel. Party B has sole discretion to conduct advertising operation, and any gains, liabilities, duties, taxes and expenses arising therefrom will be owned or paid by Party B.

5.7 Party B will pay the channel cooperation fee provided under this Agreement.

5.8 Party A will provide to Party B the promotional resources provided under this Agreement, including Baidu network promotional resources, provide promotional support to Party B, and make promotion of Party B on its website.

5.9 Party B will embed Baidu search bar into the homepage of www.leju.com, and any income thereof will be shared between Party A or any of its affiliates and Party B on monthly basis, the details of which are subject to separate alliance agreement between Party B and Party A or any of its affiliates.

5.10 Party C will be severally and jointly liable for any and all obligations of Party B under this Agreement.

ARTICLE VI

OWNERSHIP

Party A maintains its ownership of all rights, entitlements and interests of its websites and trademarks. Party B maintains its ownership of all rights, entitlements and interests of its websites, trademarks, and the information and data on the Cooperation Channel.

ARTICLE VII
EXCLUSIVITY

During the term of this Agreement, Party B and its affiliates will be the exclusive cooperator of Party A's real estate and home furnishing cooperation channel. Party B and its affiliates will be the exclusive provider of real estate and home furnishing information, products and data in Party A's real estate and home furnishing channel. Party A may not make any identical or similar cooperation regarding the real estate and home furnishing information, products and data in its real estate and home furnishing channel with any competitor of Party B.

ARTICLE VIII
CONFIDENTIALITY

8.1 Unless with express prior written consent from the other Party (which consent

may not be withheld without reason), none of the Parties may make any public announcement or statement regarding this Agreement or any relationship with this Agreement.

8.2 Subject to written consent from the other Party, any Party may make press release or any other public presentation regarding the cooperation, cooperation channel and Party B's participation in the Cooperation Channel contemplated under this Agreement.

8.3 Any Party (the "Receiving Party") will keep in strict confidence any business secret received by it from the other Party (the "Disclosing Party") and, without prior written consent of the Disclosing Party, may not disclose such information to any third party or, if it fails to do so, be liable for any loss incurred by the Disclosing Party, unless such information:

- (a) Has been known to the Receiving Party without any non-disclosure obligation prior to its receipt of the same from the Disclosing Party;
- (b) Has been known to the public without fault of the Receiving Party;
- (c) Is legally received from any third party without non-disclosure obligation or use restriction;
- (d) Is developed independently by the Receiving Party;
- (e) Is disclosed without prior written consent from the Disclosing Party; and
- (f) Is disclosed under legal requirements having jurisdiction of the Receiving Party, provided that the Receiving Party will notify the Disclosing Party with prior written notice permitted under applicable laws and regulations of the exact business secret to be disclosed so as to enable the Disclosing Party to take effective protective measures.

8.4 The provisions under this Article VIII will have effect during and after the term of this Agreement.

ARTICLE IX **BREACH LIABILITY**

9.1 If any Party fails to perform any of its obligations under this Agreement, the breaching Party will cease its breach of this Agreement immediately upon receipt of a written notice from the non-breaching Party requesting correction of such breach, and will continue to perform, take corrective measures, or indemnify any loss incurred by the non-breaching Party within ten business days. If the breaching Party continues with such breach or fails to perform any of its obligations, the non-breaching Party may terminate this Agreement with immediate effect upon written notice to the breaching Party, and hold the breaching Party liable for any loss incurred by the non-breaching Party.

9.2 If each of the Parties is liable for breach of this Agreement, it will be held liable according to the extent of its failure thereof.

11

ARTICLE X **TERMINATION**

10.1 Special Provisions

The Parties agree that within three months prior to the 4th anniversary of the date hereof, Party B may conduct comprehensive review of the Cooperation contemplated hereunder and may elect to continue performing or terminate this Agreement. If Party B elects to terminate this Agreement, it will notify Party A in writing and this Agreement will terminate upon receipt of such written notice by Party A. Party B will settle any and all cooperation fee regarding the Cooperation Channel outstanding prior to 4th anniversary of the date hereof, and arrange appropriate transfer of all matters relating to the operation and construction of the Cooperation Channel to Party A. Such termination will not affect performance of any right and obligation occurred prior thereto.

10.2 This Agreement will terminate if:

- (a) The Parties decide not to extend it upon its expiry;
- (b) The non-breaching Party terminates this Agreement pursuant to Article IX;
- (c) Any of the Parties terminates this Agreement pursuant to Article XI;
- (d) Any of the Parties declares bankruptcy or is in the process of liquidation or dissolution;
- (e) Any force majeure event continues for more than 30 days and any of the Parties issues a termination notice pursuant to Article XIII of this Agreement and terminates this Agreement on the date of receipt provided under this Agreement; and
- (f) With agreement of the Parties.

If any of the Parties terminates this Agreement unilaterally under any of the above circumstances, this Agreement will be terminated immediately upon receipt of the termination notice by the other Party.

10.3 If any of the Parties declares bankruptcy or is in the process of liquidation or dissolution, any Party may terminate this Agreement with immediate effect upon notice to the other Party in writing. Any Party encountering such circumstance will immediately notify the other Party of such circumstance.

- (a) Unless otherwise provided under Section 10.1 of this Agreement, upon early termination of this Agreement, Party A will return to Party B the channel cooperation fee paid by Party B net part of the payment for the obligations which have been performed under this Agreement. If this Agreement is early terminated for any fault of Party B, Party B may not claim for any reason repayment of any channel cooperation fee paid to Party A. Termination of this Agreement will affect any settlement or payment obligation outstanding under this Agreement, or any obligation or right accrued prior to such termination.
- (b) Upon termination of this Agreement, Party B will arrange appropriate transfer of all matters relating to the operation and construction of the Cooperation Channel to Party A.
- (c) Upon termination of this Agreement, Articles VIII, IX and XII will

continue to have binding effect upon the Parties.

ARTICLE XI
ASSIGNMENT AND WARRANTY OF RIGHTS AND OBLIGATION'S

- 11.1 Without prior written consent of the other Parties, none of the Parties may assign any or all of its rights and obligations under this Agreement to any third party.
- 11.2 In the event of any merger or division involving any of the Parties, all rights and obligations of such Party will be assigned in conjunction with such merger or division, provided that such Party will warrant that the rights and obligations of the other Party under this Agreement will not be affected. Upon occurrence of any of the above circumstances which could affect performance of this Agreement, such Party is obligated to notify the other Party of such effect. If such merger or division could make it impossible to perform this Agreement, the Party against which this Agreement will not be performed may terminate this Agreement with a prior written notice to such Party.
- 11.3 Neither Party A or Party B may create any security interest upon any of its rights under this Agreement for any third party claim.
- 11.4 Any Party involving in any merger will notify the other Party immediately of such merger so that the Parties may reach further agreement regarding the assignment of the rights and obligations under this Agreement.

ARTICLE XII
GOVERNING LAW AND DISPUTE RESOLUTION

- 12.1 The execution, effect, interpretation and performance of this Agreement and resolution of any dispute arising from this Agreement will be governed by PRC Laws.
- 12.2 Any dispute arising from construction or performance of this Agreement will be firstly resolved through negotiations of the Parties.
- 12.3 If the Parties fail to resolve the dispute through negotiations, any of the Parties may submit the dispute for resolution by litigation at the local people's court having jurisdiction over Party A.

ARTICLE XIII
FORCE MAJEURE

- 13.1 Force Majeure will include without limitation any acts of God, such as earthquakes, fires, and rampant epidemics; government authority factors, such as laws, policies and administrative orders; and any other element subject to legal requirements.
- 13.2 In the event of any Force Majeure which prevents any of the Parties from performing this Agreement, the Party encountering such Force Majeure will notify the other Party with details of such Force Majeure as soon as reasonably possible. Any delay or failure to perform this Agreement due to Force Majeure will not operate as breach of this Agreement and ground to make any indemnity, claim or punishment. Under such circumstance, the Party encountering the Force Majeure will be obligated to perform this Agreement with reasonable measures to the extent practicable and, upon end of the Force Majeure, notify the other Parties of the end of the Force Majeure within five days. If the Force Majeure causes this Agreement un-performable, the Parties may negotiate to terminate this Agreement without any liability on any Party. Any issue post to such termination will be resolved by the Parties through negotiations.

ARTICLE XIV
SUPPLEMENTAL PROVISIONS

- 14.1 Any failure or delay to perform any of the rights, powers or privileges under this Agreement will not operate as waiver thereof unless expressly made by the waiving Party in writing. Any single or partial exercise of any rights, powers or privileges hereunder by any Party will not preclude its further exercise of any rights, powers or privileges, unless without express waiver by such Party in writing.
- 14.2 If any of the provisions under this Agreement is held illegal, invalid or unenforceable under any applicable law, the Parties will modify such provision so that this Agreement could be valid, effective and enforceable according to the original intent of the Parties as closely as possible, and the remainder of this Agreement will remain valid and enforceable.
- 14.3 Any and all terms of this Agreement may not be changed or amended by any Party. Any matter not provided under this Agreement or any amendment, change or supplement hereto will be subject to supplemental agreement with signature and seal of the authorized representative of each of

the Parties, which supplemental agreement will have the same effect with this Agreement.

14.4 Any matter not provided under this Agreement will be resolved under the PRC Laws.

14.5 This Agreement is made in six counterparts with two for each Party, and each original has the same effect.

14.6 This Agreement is dated April 29, 2010.

(NO TEXT BELOW)

Party A: /s/ **Beijing Baidu Netcom Science and Technology Co., Ltd.**

Party B: /s/ **China Online Housing (Hong Kong) Co., Ltd.**

Party C: /s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

FURTHER STRATEGIC COOPERATION AGREEMENT

This Further Strategic Cooperation Agreement (this “**Agreement**”), dated June 2011, is made in Beijing by and between:

Party A: Beijing Yisheng Leju Information Services Co., Ltd. (“**Leju**”)
 Legal representative: ZHU Xusheng
 Address: 806-810, Ideal International Plaza, 58 Beisihuan Xilu, Haidian District, Beijing
 Contact: WU Yuzhao
 E-mail: ***

And

Party B: Beijing Baidu Netcom Science and Technology Co., Ltd. (“**Baidu**”)
 Legal representative: LIANG Zhixiang
 Address: Shouchuang Kongjian, Building 12, Zhongguancun Software Park, 8 Dongbeiwangxi Street, Haidian District, Beijing
 Contact: YANG Le
 E-mail: ***

(Party A and Party B individually a “**Party**”, collectively the “**Parties**”)

WHEREAS:

- 1 China Real Estate Information Corporation (“**CRIC**”) is an enterprise listed on the U.S. NASDAQ Stock Market with stock code of CRIC. CRIC is a China-based leading online and offline real estate information and consulting services providers. Beijing Yisheng Leju Information Services Co., Ltd. is a provider of Internet related services and subsidiary of CRIC.
- 2 Baidu (“**Baidu**”) is an enterprise listed on the U.S. NASDAQ Stock Market with stock code of BIDU. The website operated by Baidu, www.baidu.com, is a China-based leading Chinese website and Chinese search engine. Beijing Baidu Netcom Science and Technology Co., Ltd. is a provider of Internet related services and subsidiary of Baidu.
- 3 CRIC, through its subsidiary which is Party A, and Baidu have entered into a Strategic Cooperation Framework Agreement dated March 15, 2010 (the “**Baidu Phase I Cooperation**”), whereby the Parties have made cooperation regarding a number of Baidu products, including search ranking, Hao123, display platforms, Baidu Baike, Baidu Zhidao, Baidu Map, and open search platform of Baidu. The Strategic Cooperation Agreement has expired on March 14, 2011 except the cooperation regarding Baidu Map. The Parties, through negotiations, have extended the term of the Strategic Cooperation Agreement until March 31, 2011. The term of the map cooperation agreement, which originally is from July 8, 2010 to July 7, 2013, will be amended pursuant to the amendment thereto.
- 4 CRIC, through its subsidiary which is Party A, and Baidu have entered into an Internet Channel Cooperation Agreement with Agreement Number 181015BD0120 (the “**Baidu Phase II Cooperation**”), whereby CRIC will build up and operate Baidu real estate and home furnishing channel on exclusive basis. This Internet Channel Cooperation Agreement has a term of four years commencing on August 5, 2010 and ending on August 4, 2014. CRIC has made a formal launch of Baidu Leju New

Real Estate Channel on August 5, 2010 and Baidu Leju Second-hand Real Estate Channel and Baidu Leju Rental Channel on August 28, 2010. Other channels will be launched according to the Internet Channel Cooperation Agreement.

- 5 CRIC and Baidu agree to further their strategic cooperation based on Baidu Phase I Cooperation and Baidu Phase II Cooperation, make joint efforts to develop online real estate marketing services. Each of the Parties will, through Party A, Beijing Yisheng Leju Information Services Co., Ltd., and Party B, Beijing Baidu Netcom Science and Technology Co., Ltd., enter into this Further Strategic Cooperation Framework Agreement.

NOW, THEREFORE, the Parties agree as follows through negotiations:

1. COOPERATION GENERALLY

- 1.1 The Parties will expand scope of cooperation based on Baidu Phase I Cooperation and Baidu Phase II Cooperation. Baidu will make joint efforts with CRIC as its exclusive strategic partner in real estate industry to develop online real estate search marketing services.
- 1.2 During the term of cooperation of this Agreement, the Parties agree to make comprehensive cooperation as follows:
 - 1.2.1 The Parties will continue performing the Baidu Phase II Cooperation Agreement and promote the growth of Baidu Leju;
 - 1.2.2 The Parties will further their cooperation regarding Baidu advertising products display (“**Baidu Advertising Products Cooperation**”), including without limitation Baidu brands display platform, key words search, and Baidu affiliated advertising.
 - (a) Regarding Baidu Brands Display Platform, Party A will operate on exclusive agency Baidu Brands Display Platform in the real estate industry (excluding real estate websites).
 - (b) Regarding any Baidu advertising products other than Baidu Brands Display Platform (“**Other Baidu Advertising Products**”), Party A will conduct as advertising agent Baidu advertising products other than on Baidu brands display platform in the real estate industry (excluding real estate websites)
- 1.3 The term of the cooperation contemplated hereunder is three years commencing on August 5, 2011.

1.4 The total amount for the first-year operation contemplated under this Agreement is RMB130 million (including RMB80 million provided under Section 2.5 and RMB50 million provided under Section 3.3).

1.5 This Agreement will be effective as of the date of execution by the Parties. Upon expiry of the term of the cooperation, Party A will have priority in renewing this Agreement under similar conditions. The Parties will negotiate and enter into renewed cooperation agreement no less than one month before expiry of this Agreement if they continue the cooperation.

2

2. BAIDU ADVERTISING PRODUCTS COOPERATION

2.1 Clients in real estate industry: The clients in the real estate industry acknowledged by the Parties include: for new real estate project, the project development company or its group company, the sale agency company or advertising and marketing agency company; for used and existing real estate projects, its project development company or its group company, the sale agency company or advertising and marketing agency company, real estate management company, and real estate agency company.

2.2 Baidu brands display platform:

2.2.1 Unless otherwise provided under Section 2.2.2, Party B will grant Party A the sole and exclusive sale license in the real estate industry so that Party A will operate on exclusive agency Baidu brands display platform in the real estate industry (excluding real estate website) on .

- (a) Party A has sole discretion on pricing the products of Baidu brands display platform, and may market the products in a way appropriate for market development.
- (b) The brand display platform includes the platform to display corporate brands and leadership images of real estate developers, brands of new, used and existing real estate projects. Any other real estate display platform is subject to agreement of the Parties.
- (c) Considering most real estate clients have no website or established website of its own and subject to authorization from the client, Baidu brands display platform could be linked to the webpage on Baidu Leju displaying the real estate project of such client which will include, in case of new real estate project, the project development company or its group company, the sale agency company or advertising and marketing agency company; and in case of used and existing real estate projects, its project development company or its group company, the sale agency company or advertising and marketing agency company, real estate management company, and real estate agency company.
- (d) Subject to compliance with Baidu's review standards regarding brands display platform, Party B will make best efforts to assist Party A onto the brands display platform.
- (e) The template of brands display platform in the real estate industry will be under separate agreement in the brands display platform cooperation agreement.

2.2.2 The platform to display corporate brands and leadership images of the used real estate brokerages (for avoidance of any doubt, such platform is without real estate information) will not be included in the scope of Party A's exclusive agency and will be priced according to Baidu's pricing rules. The Parties agree that such brands display platform will be linked only to its own official website of the relevant used real estate brokerage.

The Parties will enter into a Baidu Brands Display Platform Cooperation Agreement in the form of a supplement hereto, setting forth the details regarding the cooperation provided under Section 2. Such supplement will be an integral part of and have the same effect with this Agreement.

3

2.3 Other Baidu Advertising Products: Party B will grant to Party A the sale agent license for clients in the real estate industry.

2.3.1 Party A will sell and market Other Baidu Advertising Products permitted by Baidu. Other Baidu Advertising Products may not be sold or marketed by way of gift or discount in order to protect the product market strategy of Party B.

2.3.2 The Parties will enter into a Baidu advertising agency agreement setting forth the details of such sale and marketing in the form of a supplement hereto. Such supplement will be an integral part of and have the same effect with this Agreement.

2.4 Party B warrants that as of the date hereof and during the term of this Agreement, unless otherwise provided herein, it will not conduct any operation regarding any other real estate client or license any third party to conduct such operation in Baidu brands display platform products.

2.5 During the term of the cooperation, Party A will operate on exclusive agency the brands display platform for real estate industry and provide fixed proportional income to Party B. The amount of the fixed proportional income is as follows:

Business income confirmed by the financial department	fixed proportion for Party B (RMB10,000)
First Year (August 5, 2011 to August 4, 2012)	8,000
Second Year (August 5, 2012 to August 4, 2013)	10,000
Third Year (August 5, 2013 to August 4, 2014)	12,000

2.6 It is agreed that the proportional income will consist of the following two parts:

2.6.1 The RMB40 million channel use fee for each of the three years under the Baidu Phase II Cooperation Agreement.

2.6.2 Fixed fee for operation of Baidu brands display platform on exclusive agency, which is RMB40 million for the first year, RMB60 million for the second year, and RMB80 million for the third year.

- 2.7 The fixed proportional fee will be payable as follows:
- 2.7.1 The RMB40 million channel use fee under the Baidu Phase II Cooperation Agreement will be paid by Party A pursuant to its terms.
- 2.7.2 The fixed fee for operation of Baidu brands display platform on exclusive agency will be paid by Party A twice a year pursuant to the side agreement hereof.
- 2.7.3 If the fixed proportion fee is paid by Party A on behalf of any of its affiliates provided under Section 6.1, a document evidencing such arrangement affixed with the seals of Party A and such affiliate will be provided for invoicing purpose and as an attachment hereto. Baidu will not be liable for any tax or legal risk arising from the invoicing.
- 2.8 Baidu will continue to perform any advertising sales contract between Party B and any real estate client which has not been completely performed by the date hereof.
- 2.9 Party B warrants that Party A will not be liable for any costs, expenses, damages, losses, indemnities, taxes, levies, actions or claims regarding any client prior to the date hereof.
- 2.10 Considering the recognition of the achievement during Phase I Cooperation and Phase II Cooperation by the Parties, the Parties decide to further the existing strategic cooperation for joint development of online real estate marketing services. Party B will grant to Party A sales license, marketing and promotional support, including without limitation

joint press release, joint promotional activities, participation of marketing and promotional activities by Baidu senior management.

3. BAIDU PROMOTIONAL RESOURCES AND PRODUCT COOPERATION BY BAIDU

- 3.1 The Parties will conduct further cooperation regarding Baidu promotional resources and products. Party A will enter into agreement with Party B every year, setting forth the amount of promotional resources, the product cooperation and its amount. Such agreement will be automatically renewable for another year during the term of this Agreement unless with any proposed amendment from any Party. The amount from Party A for promotional resources and products during each of the last two years will be no less than the amount for the first year provided the rights of Party A for each of the last two years are no inferior to its rights during the first year.
- 3.2 Party A and Party B will enter into a promotional resources and products cooperation agreement for 2011 (the "2011 Framework Cooperation Agreement"), which will be integral side agreement hereto.
- 3.3 It is agreed that the total amount of the 2011 Framework Cooperation Agreement will be RMB50 million, consisting of:
- 3.3.1 The RMB10 million promotional fee under Baidu Phase II Cooperation Agreement.
- 3.3.2 New promotional resources fee, the amount of which will be provided under the 2011 Framework Cooperation Agreement.
- 3.3.3 Product cooperation fee, the amount of which will be provided under the 2011 Framework Cooperation Agreement.
- 3.4 Promotional resources cooperation:
- 3.4.1 Regarding the promotional resources fee provided under the 2011 Framework Cooperation Agreement, including RMB10 million promotional fee and new promotional resources fee for Baidu Phase II, Baidu will provide framework policies corresponding to the cooperation amount in the framework agreement.
- 3.4.2 The promotional resources in the 2011 Framework Cooperation Agreement could be applied by CRIC in connection with online promotion of all websites under all of its business lines operated by any of its affiliates, the linkage of which includes without limitation Baidu Leju websites, Sina Leju websites, Fangyou online websites, commercial real estate websites, tourism real estate websites, home furnishing websites, real estate websites, Zhongfang websites, CRIC websites, and official websites of CRIC and Yiju.
- 3.4.3 Baidu agrees that the promotional resources amount paid by CRIC in Baidu between April 1, 2011 and the date hereof will be refundable at the percentage provided under the 2011 Framework Cooperation Agreement.
- 3.5 Product cooperation:
- 3.5.1 The Parties confirm to continue the product cooperation contemplated under the Baidu Phase I Cooperation Agreement and enter into related cooperation agreement as an integral side agreement of the 2011 Framework Cooperation Agreement which will be effective in conjunction with the 2011 Framework Cooperation Agreement. The related product cooperation agreements are as follows:
- (a) Baidu Open Search Platform Cooperation Agreement

- (b) Baidu Baike Authority Cooperation Agreement
- (c) Jointly Constructed Baidu Zhidao Cooperation Agreement

3.5.2 The map cooperation agreement in the Baidu Phase I Cooperation Agreement is terminated, a new agreement will be made and the amount thereof will be included in the 2011 Framework Cooperation Agreement.

3.5.3 The Parties will conduct further cooperation in the following products, the details of which will be provided under an agreement. Such agreement will be an integral side agreement to the 2011 Framework Cooperation Agreement and effective in conjunction with the 2011 Framework Cooperation Agreement.

(a) Baidu Search Chart Cooperation Agreement

(b) Baidu Tieba Cooperation Agreement

4. BAIDU PHASE II AGREEMENT AMENDMENT

4.1 Considering the Parties have entered into a Baidu Phase II Agreement which has a term of four years commencing on August 5, 2010. The Parties agree to make amendment to Baidu Phase II Agreement as follows pursuant to the terms hereof.

4.1.1 Its parties will be amended to the Parties hereof.

4.1.2 The RMB 10 million promotional resources fee under Baidu Phase II Cooperation Agreement will be included in the 2011 Promotional Resources and Product Cooperation Framework Agreement (the "2011 Framework Cooperation Agreement") and under the corresponding framework policies.

4.1.3 The amendments will be made by the Parties in written agreement supplemental to Baidu Phase II Agreement.

5. BREACH LIABILITY

5.1 If any Party is material breach of this Agreement and fails to correct such breach within 30 days upon receipt of written notice from the non-breaching Party, the non-breaching Party may terminate this Agreement with a notice to the breaching Party in writing. This Agreement will terminate upon receipt of such notice by the breaching Party, provided that the confidentiality terms hereunder will survive termination of this Agreement, and any Party in breach of the confidentiality terms will be liable for all losses incurred by the other Party due to such breach.

5.2 Party B agrees to be liable for damages arising from its single termination of this Agreement without fault of Party A. The damages will be ten times fixed proportional fee paid by Party A to Party B for the previous cooperation year.

5.3 Party A agrees to be liable for damages arising from its single termination of this Agreement without fault of Party B. The damages will be ten times fixed proportional fee paid by Party A to Party B for the previous cooperation year.

6. PARTIES, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Party A will receive power of attorney from all subsidiaries and affiliates of CRIC, authorizing Party A to, on behalf of such subsidiaries and affiliates, enter into this Agreement

and make any amendment thereto during the term of this Agreement without further agreement of such subsidiaries and affiliates. Upon execution of this Agreement, the subsidiaries and affiliates of CRIC participating in the cooperation contemplated hereunder are:

6.1.1 Beijing Yisheng Leju Advertising Co., Ltd.

6.1.2 Shanghai Xiangju Information Technology Development Co., Ltd.

6.1.3 Tianjin Yisheng Leju Advertising Co., Ltd.

6.1.4 Chongqing Ruiju Advertising Co., Ltd.

6.1.5 Suzhou Yisheng Leju Network Information Co., Ltd.

6.1.6 Shanghai Lerong Information Technology Co., Ltd.

6.1.7 Guangzhou Leyiju Information Technology Co., Ltd.

6.1.8 Hangzhou Yisheng Leju Advertising Co., Ltd.

6.1.9 Nanjing Xinsidi Advertising Co., Ltd.

6.1.10 Wuhan Yisheng Leju Advertising Co., Ltd.

6.1.11 Shenzhen Xinle Wuxian Information Consulting Co., Ltd.

6.1.12 Chengdu Yisheng Leju Advertising Co., Ltd.

6.1.13 Shenyang Yisheng Ruiju Media Co., Ltd.

6.1.14 Beijing Zhongfang Yanxie Information Services Co., Ltd.

6.1.15 Beijing Zhongfang Yanxie Technology Services Co., Ltd.

- 6.1.16 Beijing Letian Times Advertising Co., Ltd.
- 6.1.17 Hainan Leju Tourism Real Estate Information Services Co., Ltd.
- 6.1.18 Beijing Yisheng Leju Network Technology Co., Ltd.
- 6.1.19 Changsha Yisheng Leju Advertising Co., Ltd.
- 6.1.20 Dalian Yisheng Leju Advertising Co., Ltd.
- 6.1.21 Wuxi Yisheng Leju Network Information Technology Co., Ltd.
- 6.1.22 Hainan Zhongfang Information Technology Co., Ltd.
- 6.1.23 Shenzhen Fangyou Software Technology Co., Ltd.
- 6.1.24 Guangzhou Jicheng Residential Property Complements Co., Ltd.
- 6.1.25 Guangzhou Fangshang Software Technology Co., Ltd.
- 6.1.26 Shanghai CRIC Information Technology Co., Ltd.
- 6.1.27 Shanghai Dehu Public Relation Consulting Co., Ltd.

6.2 During the term of this Agreement, if any subsidiary or affiliate of CRIC other than those listed above participates in the cooperation, Party will upon receipt of power of attorney from such subsidiary or affiliate enter into a supplemental agreement with Party B on behalf

7

of such subsidiary or affiliate and include such subsidiary or affiliate in the list under Section 6.1, without confirmation or affixture of seal by such subsidiary or affiliate hereunto.

6.3 Each of the Parties hereby represents, warrants and covenants that:

6.3.1 It has full powers to conduct the cooperation provided under this Agreement, is capable to execute and perform this Agreement and any agreement relating hereto which, once executed, will have binding effect upon it.

6.3.2 Execution and performance of this Agreement will not violate or breach any applicable PRC laws or any agreement to which it is a party or bound by.

6.3.3 Any matter not provided under this Agreement will be dealt with by all Parties in accordance with PRC laws and relevant policies.

6.3.4 Without prior consent of the other Party, neither Party may conduct the cooperation contemplated hereunder with any third party.

6.3.5 It is acknowledged by each of the Parties that during the term of cooperation, none of its affiliates, officers or employees may not, expressly or implicitly, criticize, disparage or defame any affiliate, officer or employee of the other Party, failure of which will be material breach of this Agreement and the non-breaching Party may terminate this Agreement and hold the breaching Party liable for damages of RMB100,000.

6.3.6 The Parties will make joint announcement after this Agreement becomes effective. The announcement will include recognition of Phase I and Phase II cooperation results, and mutual acknowledgement of strategic partnership. During the term of the cooperation, the Parties will make joint press release activity regarding the cooperation every year, which will be attended by senior management of each of the Parties.

7. COOPERATION TERM AND EFFECTIVENESS

7.1 The term of the cooperation will be three years commencing on August 5, 2011 and ending on August 4, 2014.

7.2 This Agreement will be effective upon signature and affixture of its seal by each of the Parties.

7.3 Upon execution of this Agreement, the Parties will complete execution of the side agreements hereof by August 4, 2011. The side agreements of this Agreement include:

- 7.3.1 Side Agreement I: Baidu Brands Display Platform Cooperation Agreement
- 7.3.2 Side Agreement II: Baidu Advertising (excluding Baidu Brands Display Platform) Sales Agency Agreement
- 7.3.3 Side Agreement III: 2011 Promotional Resources and Product Cooperation Framework Agreement
 - (a) Side Agreement III-1: Baidu Network Advertising Release Agreement (search ranking)
 - (b) Side Agreement III-2: Baidu Open Search Platform Cooperation Agreement

8

- (c) Side Agreement III-3: Baidu Baike Cooperation Agreement
- (d) Side Agreement III-4: Baidu Zhidao Cooperation Agreement
- (e) Side Agreement III-5: Baidu Search Chart Cooperation Agreement
- (f) Side Agreement III-6: Baidu Map Amendment Cooperation Agreement
- (g) Side Agreement III-7: Baidu Tieba Cooperation Agreement

Each of the side agreements under this Framework Agreement is subject to change according to product cooperation status.

8. CONFIDENTIALITY

8.1 Unless otherwise provided or required under PRC laws, regulations, listing and disclosure requirements of exchanges, or relevant articles of association, without prior written consent of the other Party, none of the Parties may disclose any provision of this Agreement to any third party before or after consummation of the transaction contemplated hereunder.

9. GOVERNING LAW AND DISPUTE RESOLUTION

9.1 The execution, validity, construction, performance of this Agreement and resolution of any dispute arising from this Agreement will be governed by applicable PRC laws and regulations. Any dispute will be negotiated by the Parties in good faith and, if the negotiations fail, submitted to the jurisdiction of Beijing Haidian District People's Court.

9.2 If any of the provisions under this Agreement is held invalid under any applicable laws, such invalidity will not affect the effect and performance of the remainder of this Agreement.

10. TAXES

It is agreed that each of the Parties will pay its taxes or expenses incurred in performing this Agreement pursuant to applicable laws and regulations.

11. FORCE MAJEURE

11.1 Force Majeure Event means any event uncontrollable, unforeseeable and, if foreseeable, unavoidable by any of the Parties which will hinder, affect or delay performance of any or all of this Agreement by any of the Parties. Force Majeure Event includes without limitation earthquakes, typhoons, floods, fires or other acts of God, wars, riots, strikes or any other similar event.

11.2 Upon occurrence of a Force Majeure Event, the Party encountering the Force Majeure Event will notify the other Party immediately and as soon as practicably possible, and provide the details of such event and the reason for failure or inability or delay to perform this Agreement within fifteen days in writing. The Parties then will negotiate to extend or terminate this Agreement.

12. SCHEDULES

Each of the schedules attached hereto is an integral part of and has the same effect with this Agreement.

9

13. COUNTERPARTS

This Agreement is in Chinese in four originals, two for each Party. Each original has the same effect.

14. MISCELLANEOUS

14.1 Any amendment to this Agreement will be subject to agreement of the Parties in writing.

14.2 Any notice provided under this Agreement will be made in writing. Any change of the address, telephone or facsimile number of any Party will be promptly notified to the other Party. If any Party fails to do so, the other Party may deliver the notice to the latest address, telephone or facsimile number of such Party known to it.

(Remaining left blank)

10

(Signature page)

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed as of the date and in the place first written above.

Party A: /s/ Beijing Yisheng Leju Information Services Co., Ltd.

Party B: /s/ Beijing Baidu Netcom Science and Technology Co., Ltd.

To: Beijing Baidu Netcom Science and Technology Co., Ltd. (the "Company")

The undersigned hereby authorizes Beijing Yisheng Leju Information Services Co., Ltd. (the "Attorney") with the irrevocable authority and makes undertaking to the Company, each as follows:

1. The Attorney is authorized to sign the Further Strategic Cooperation Framework Agreement attached hereto (the "Agreement") on behalf of the undersigned and, once the Agreement is executed and effective, the undersigned undertakes collectively as Party A in the Agreement to acknowledge and accept all rights and obligations under this Agreement, and jointly perform all of the rights and obligations for Party A under this Agreement.
2. The Attorney is authorized to arrange each of the payments provided under the Agreement payable to the Company, the details of which will be set forth in the payment certificate provided to the Company from the Attorney. Upon receipt of such payment, the Company will issue equivalent invoice to the paying party.
3. The Attorney is authorized to negotiate, agree upon and sign any amendment or change to this Agreement, and the Agreement so amended, changed and executed by the Attorney will be accepted and acknowledged by and have binding effect upon the undersigned.
4. This Power of Attorney is effective upon signature of the undersigned as of June 2011.

Signed by

- (1) /s/ **Beijing Yisheng Leju Advertising Co., Ltd.**
 - (2) /s/ **Shanghai Xiangju Information Technology Development Co., Ltd.**
 - (3) /s/ **Tianjin Yisheng Leju Advertising Co., Ltd.**
 - (4) /s/ **Chongqing Ruiju Advertising Co., Ltd.**
 - (5) /s/ **Suzhou Yisheng Leju Network Information Co., Ltd.**
 - (6) /s/ **Shanghai Lerong Information Technology Co., Ltd.**
 - (7) /s/ **Guangzhou Leyiju Information Technology Co., Ltd.**
 - (8) /s/ **Hangzhou Yisheng Leju Advertising Co., Ltd.**
 - (9) /s/ **Nanjing Xinsidi Advertising Co., Ltd.**
 - (10) /s/ **Wuhan Yisheng Leju Advertising Co., Ltd.**
 - (11) /s/ **Shenzhen Xinle Wuxian Information Consulting Co., Ltd.**
 - (12) /s/ **Chengdu Yisheng Leju Advertising Co., Ltd.**
 - (13) /s/ **Shenyang Yisheng Ruiju Media Co., Ltd.**
 - (14) /s/ **Beijing Zhongfang Yanxie Information Services Co., Ltd.**
-
- (15) /s/ **Beijing Zhongfang Yanxie Technology Services Co., Ltd.**
 - (16) /s/ **Beijing Letian Times Advertising Co., Ltd.**
 - (17) /s/ **Hainan Leju Tourism Real Estate Information Services Co., Ltd.**
 - (18) /s/ **Beijing Yisheng Leju Network Technology Co., Ltd.**
 - (19) /s/ **Changsha Yisheng Leju Advertising Co., Ltd.**
 - (20) /s/ **Dalian Yisheng Leju Advertising Co., Ltd.**
 - (21) /s/ **Wuxi Yisheng Leju Network Information Technology Co., Ltd.**
 - (22) /s/ **Hainan Zhongfang Information Technology Co., Ltd.**
 - (23) /s/ **Shenzhen Fangyou Software Technology Co., Ltd.**
 - (24) /s/ **Guangzhou Jicheng Residential Property Complements Co., Ltd.**
 - (25) /s/ **Guangzhou Fangshang Software Technology Co., Ltd.**
 - (26) /s/ **Shanghai CRIC Information Technology Co., Ltd.**
 - (27) /s/ **Shanghai Dehu Public Relation Consulting Co., Ltd.**

Payment Certificate

Party A: [Paying Party]

Party B: Beijing Yisheng Leju Information Services Co., Ltd. (“**Leju**”)
Address: 806-810, Ideal International Plaza, 58 Beisihuan Xilu, Haidian District, Beijing
Contact: WU Yuzhao
E-mail: yuzhao@leju.com
Telephone: 18611666811

In accordance with the terms under the Power of Attorney, Party B and Beijing Baidu Netcom Science and Technology Co., Ltd. have entered into a [] (the “**Agreement**”), whereby it will conduct cooperation regarding [] with Baidu and make payment to Beijing Baidu Netcom Science and Technology Co., Ltd. pursuant to the Agreement.

Party A and Party B agree as follows through negotiations on []:

1. Party A agrees to arrangement of payment by Party B pursuant to the Power of Attorney.
2. Party B, on behalf of Party A, will pay to Beijing Baidu Netcom Science and Technology Co., Ltd. RMB[]. The invoice will be issued to the full name of Party A as the payer.
3. Upon issue of this Payment Certificate, the payment received by Beijing Baidu Netcom Science and Technology Co., Ltd. will be deemed as payment from Party A.
4. Any and all economic and tax disputes arising from the payment between Party A and Party B will be resolved by Party A and Party B, without any liability on Beijing Baidu Netcom Science and Technology Co., Ltd.

Party A: /s/ **Company Seal**

Party B: /s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

**SUPPLEMENT TO FURTHER STRATEGIC COOPERATION
AGREEMENT AND
THE COOPERATION AGREEMENT ATTACHED THERETO**

This Agreement, dated October 2013, is made in Beijing by and between:

Party A: **Beijing Yisheng Leju Information Services Co., Ltd. ("Leju")**

Legal representative: ZHU Xusheng

Address: 806-810, Ideal International Plaza, 58 Beisihuan Xilu, Haidian District, Beijing

Contact: WU Yuzhao

E-mail: ***

And

Party B: **Beijing Baidu Netcom Science and Technology Co., Ltd. ("Baidu")**

Legal representative: LIANG Zhixiang

Address: Shouchuang Kongjian, Building 12, Zhongguancun Software Park, 8 Dongbeiwangxi Street, Haidian District, Beijing

Contact: YANG Le

E-mail: ***

(Party A and Party B individually a "Party", collectively the "Parties")

WHEREAS:

1. The Parties have entered into an Internet Channel Cooperation Agreement, Agreement Number 181015BD0120, in April 2010;
2. The Parties have entered into a Further Strategic Cooperation Framework Agreement, Agreement Number BAIDU11ADK0382, in June 2011 (the "Strategic Cooperation Agreement"); and
3. The Parties have entered into a Baidu Brands Display Platform, Agreement Number 2113424, in July 2011.

Considering the Parties have entered into the above agreements and formed strategic partnership, the Parties hereby agree as follows regarding modification of their strategic cooperation:

1 Amendment to Existing Agreements

1.1 Regarding the Internet Channel Cooperation Agreement, Agreement Number 181015BD0120, its date of expiry will be amended to March 31, 2015 from the original August 4, 2014; the amount and content of the cooperation will remain the same, and the payment of the cooperation fee after August 4, 2013 is amended as follows:

- 1.1.1 The channel cooperation fee payable by Leju by September 15, 2013 will be RMB20 million (which amount has been paid); and
- 1.1.2 The channel cooperation fee payable by Leju by June 15, 2014 will be RMB 20 million.

1.2 Regarding the Baidu Brands Display Platform Agreement, Agreement Number 2113424, its date of expiry will be amended to March 31, 2015 from the original August 4,

2014; the amount and content of the cooperation will remain the same, and the payment of the cooperation fee after August 4, 2013 is amended as follows:

- 1.2.1 The channel cooperation fee payable by Leju by September 15, 2013 will be RMB20 million (which amount has not been paid);
- 1.2.2 The channel cooperation fee payable by Leju by December 20, 2013 will be RMB20 million;
- 1.2.3 The channel cooperation fee payable by Leju by June 15, 2014 will be RMB20 million; and
- 1.2.4 The channel cooperation fee payable by Leju by December 15, 2014 will be RMB20 million.

2 Product Improvement and Planning in connection with Strategic Cooperation

2.1 The Parties agree to continue their strategic cooperation and make joint efforts to further develop Internet marketing market from March 31, 2015. Leju will pay RMB75 million for the further cooperation from the period between April 1, 2015 and December 31, 2015.

2.2 Considering that the existing cooperation regarding brands display platform fails to provide good user experience and is not in the best combined commercial benefits of the Parties, the Parties agree to make joint efforts exploring the best practice in promoting resources and products in the real estate industry by Baidu as of the execution of this Agreement and, upon their consensus of the best practice, enter into a new strategic agreement to replace the existing agreement.

3 Agreement regarding Overdue Payment

3.1 Regarding the Strategic Cooperation Agreement, Leju has an outstanding payment in the amount of RMB30 million by August 4, 2013, the date of expiry of the second year cooperation; and

3.2 Regarding the Baidu Brands Display Platform Agreement, The channel cooperation fee in the amount of RMB20 million payable by Leju by September 15, 2013 is outstanding.

The total outstanding amount of RMB50 million provided in this Section 3 will be paid by Leju to Baidu within five business days upon execution of this Supplement.

- 4 Any other payment under the relevant agreement will be paid by Leju when it is due and payable.
- 5 This Supplement to the Strategic Cooperation Agreement and the Agreement attached thereto will be effective jointly, but not individually, and have the same effect with the Strategic Cooperation Agreement and the Agreement attached thereto. In the event of any discrepancy between This Supplement and the Strategic Cooperation Agreement and the Agreement attached thereto, this Supplement will prevail.
- 6 Any dispute arising from this Supplement will be resolved by the Parties through negotiations.
- 7 This Supplement will be effective upon signature and affixture of seal by the Parties. This Supplement is in two counterparts, each of which will be held by one Party and has the same effect.

2

(Signature page)

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed as of the date and in the place first written above.

Party A: /s/ **Beijing Yisheng Leju Information Services Co., Ltd.**

Party B: /s/ **Beijing Baidu Netcom Science and Technology Co., Ltd.**

3

List of Principal Subsidiaries and Consolidated Variable Interest Entities of Leju Holdings Limited

	Place of Incorporation
Subsidiaries	
Branco Overseas Ltd	British Virgin Islands
E-House China (Tianjin) Holdings Ltd.	British Virgin Islands
E-House Property Consultancy Ltd.	British Virgin Islands
E-House International Property Consultancy Ltd.	Hong Kong
E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd.	PRC
China E-Real Estate Holdings Ltd.	British Virgin Islands
China E-Real Estate Group Ltd.	Hong Kong
Shanghai Yi Yue Information Technology Co., Ltd.	PRC
China Online Housing Technology Corporation	Cayman Islands
China Online Housing (Hong Kong) Co., Limited	Hong Kong
Shanghai Xiangle Information Technology Limited	PRC
Shanghai SINA Leju Information Technology Co., Ltd.	PRC
Shanghai Fangxin Information Technology Co., Ltd.	PRC
Omnigold Holdings Ltd.	British Virgin Islands
China Commercial Real Estate Group Ltd.	British Virgin Islands
China Real Estate Business Group Ltd.	Hong Kong
Beijing Maiteng Fengshun Science and Technology Co., Ltd.	PRC
Consolidated Variable Interest Entities	
Shanghai Yi Xin E-Commerce Co., Ltd.	PRC
Beijing Xunjie Yixin E-Commerce Limited	PRC
Beijing Yisheng Leju Information Services Co., Ltd.	PRC
Beijing Jiajujiu E-Commerce Co., Ltd.	PRC
Beijing Jiajujiu Decorations Co., Ltd.	PRC
Beijing Yisheng Leju Internet Technology Co., Ltd.	PRC

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form F-1 of our report dated February 26, 2014 (March 12, 2014 as to the subsequent events described in Note 15) relating to the consolidated financial statements of Leju Holdings Limited and its subsidiaries, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings “Experts” in such prospectus.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China
March 12, 2014

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place
1 Queen's Road East Hong Kong
Tel: +852 2846 5000
Fax:+852 2169 6001
www.joneslanglasalle.com

26 February, 2014

Leju Holdings Limited
15/F Shoudong International Plaza, No. 5 Building, Guanqu Home
Dongcheng District, Beijing 100022
People's Republic of China

Re: Leju Holdings Limited

Ladies and Gentlemen,

We understand that Leju Holdings Limited (the "Company") plans to file a registration statement on Form F-1 (the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") in connection with initial public offering of ordinary shares, in each case represented by American depositary shares (the "Proposed Offering").

We hereby consent to the references to our name and the inclusion of data and statements from our studies, research reports, valuation reports and amendments thereto, including but not limited to the Employee Share Options Valuation Report titled "Valuation Report Considering The Fair Value of The Employee Share Options Issued By Leju Holdings Limited" issued by us in 26 February 2014 (the "Report") and any subsequent amendments to the Report, in the Registration Statement and any amendments and supplements thereto, in any other future filings with the SEC by the Company, including filings on Form 20-F or Form 6-K or other SEC filings (collectively, the "SEC Filings"), on the websites of the Company and its subsidiaries and affiliates, in institutional and retail road shows and other activities in connection with the Proposed Offering, and in other publicity materials in connection with the Proposed Offering.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

/s/ Simon M.K. Chan
Simon M.K. Chan
Regional Director

LEJU HOLDINGS LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of Leju Holdings Limited on March 10, 2014, effective upon the effectiveness of the Company's Registration Statement on Form F-1 filed with the U.S. Securities and Exchange Commission relating to the Company's initial public offering)

I. PURPOSE

This Code of Business Conduct and Ethics (the "Code") contains general guidelines for conducting the business of Leju Holdings Limited, a Cayman Islands company, and its subsidiaries and affiliate entities (collectively, the "Company") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "employee" and collectively, the "employees"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, vice presidents and any other persons who perform similar functions for the Company (each, a "senior officer," and collectively, the "senior officers").

The Board of Directors of the Company (the "Board") has appointed the Company's Chief Financial Officer, as the Compliance Officer for the Company (the "Compliance

1

Officer"). If you have any questions regarding the Code or would like to report any violation of the Code, please contact the Compliance Officer.

III. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following should be considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.
- Corporate Opportunity. No employee should use corporate property, information or his or her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in your individual capacity.
- Financial Interests.
 - (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;
 - (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;
 - (iii) An employee may hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;
 - (iv) No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the

2

Company include managing or supervising the Company's business relations with that company; and

(v) Notwithstanding the other provisions of this Code,

(a) a director or any immediate family member of such director (collectively, "Director Affiliates") or a senior officer or any immediate family member of such senior officer (collectively, "Officer Affiliates") may continue to hold his or her investment or other financial interest in a business or entity (an "Interested Business") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

For purposes of this Code, a company or entity is deemed to be "in competition with the Company" if it competes with the Company's business of providing online real estate services, including e-commerce, online advertising and listing services and/or any other business in which the Company is engaged.

- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

3

- Service on Boards and Committees. No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he or she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the New York Stock Exchange.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, siblings, parents, in-laws and children.

4

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over US\$100 must be submitted immediately to the administration department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

V. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor (in the case of the chief executive officers, by the board of directors) in advance before it can be made.

VI. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;

5

- Promptly report any actual or suspected theft, damage or misuse of Company property;
- Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VII. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.
- Employees should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its customers, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his duties to the Company.

6

- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, customers or employees.

- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.
- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VIII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

Upon the completion of the IPO, the Company will be required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;
- Transactions that do not seem to have an obvious business purpose; and
- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective should be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

7

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);
- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Company's Audit Committee.

IX. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's record keeping policy. An employee should contact the Compliance Officer if he or she has any questions regarding the record keeping policy.

X. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

8

XI. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

XII. FAIR DEALING

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his or her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIV. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his or her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XV. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the New York Stock Exchange.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. We expect all employees to adhere to these standards. Each employee is separately responsible for his or her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of your employment. Such conduct will subject the employee to disciplinary action, including termination of employment.

方達律師事務所

FANGDA PARTNERS

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32/F Plaza 66 Tower 1
1266 Nanjing West Road
Shanghai 200040, PRC

To: Leju Holdings Limited

March 12, 2014

Re: Legal Opinion regarding certain PRC Law Matters

Dear Sirs,

We are qualified lawyers of the People's Republic of China (the "PRC", for purposes of this legal opinion, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), and are qualified to issue this legal opinion on the laws and regulations of the PRC (this "Opinion").

We have acted as the PRC legal counsel to Leju Holdings Limited (the "Company") solely in connection with (A) the Company's registration statement on Form F-1 including all amendments or supplements thereto (the "Registration Statement") filed with the Securities and Exchange Commission (the "SEC") under the U.S. Securities Act of 1933, as amended, on March 12, 2014, relating to the initial public offering by the Company of a certain number of the Company's American depositary shares (the "ADSs"), each representing a certain number of ordinary shares of par value US\$0.001 per share of the Company, and (B) the proposed listing and trading of the Company's ADSs on the New York Stock Exchange (the "Offering").

In rendering this Opinion, we have examined the originals or copies of the documents provided to us by the Company and such other documents, corporate records, certificates issued by the Governmental Agencies (as defined below) or officers of the Company and/or the PRC Group Entities (as defined below) and other instruments (the "Documents") as we have considered necessary, advisable or desirable for the purpose of rendering this Opinion, including, without limitation, originals or copies of the agreements listed in Appendix A hereof (the "VIE Agreements").

In our examination of the Documents and for purpose of rendering this Opinion, we have assumed without further inquiry or investigation: (A) the genuineness of all

signatures, seals and chops; (B) the authenticity of all Documents submitted to us as originals and the conformity with the authentic originals of the Documents submitted to us as copies; (C) that the Documents submitted to us remain in full force and effect up to the date of this Opinion, and have not been revoked, amended, revised, modified or supplemented except as otherwise indicated in such Documents; (D) the truthfulness, accuracy, fairness and completeness of all Documents as well as all factual statements in the Documents; (E) that all information provided to us by the Company and the PRC Group Entities in response to our inquiry for the purpose of this Opinion is true, accurate, complete and not misleading and that the Company and the PRC Group Entities have not withheld anything that, if disclosed to us, would reasonably cause us to alter this Opinion in whole or in part; (F) that all parties other than the PRC Group Entities have the requisite power and authority to enter into, execute, deliver and perform the Documents to which they are parties; (G) that all parties other than the PRC Group Entities have duly executed, delivered and performed the Documents to which they are parties, and all parties will duly perform their obligations under the Documents to which they are parties; (H) that all Governmental Authorizations and other official statement or documentation are obtained from the competent Government Agencies by lawful means in due course and based on application documents without any untrue, incomplete, inaccurate or misleading statements; (I) that all Documents are legal, valid, binding and enforceable under all such laws as govern or relate to them other than PRC Laws.

I. Definitions.

As used herein, (A) "Governmental Agency" means any national, provincial or local governmental, regulatory or administrative authority, agency or commission in the PRC, or any court, tribunal or any other judicial or arbitral body in the PRC, or any body exercising, or entitled to exercise, any administrative, judicial, legislative, regulatory, or taxing authority or power of similar nature in the PRC; (B) "PRC Laws" mean all applicable laws, regulations, rules, orders, decrees, guidelines, judicial interpretations and other legislation of the PRC in effect and available to the public on the date of this Opinion; (C) "Governmental Authorization" means any license, approval, consent, waiver, order, sanction, certificate, authorization, filing, declaration, registration, exemption, permission, endorsement, annual inspection, clearance, qualification or permit by, from or with any Governmental Agency pursuant to any PRC Laws; (D) "M&A Rules" means the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors issued by the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration of Industry and Commerce, China Securities Regulatory Commission ("CSRC") and the State Administration of Foreign Exchange on August 8, 2006, which became effective on September 8, 2006 and were further amended on June 22, 2009; (E) "WFOEs" means Shanghai SINA Leju Information Technology Co., Ltd. ("Shanghai SINA Leju"), Shanghai Yi Yue Information Technology Co., Ltd. ("Shanghai Yi Yue") and Beijing Maiteng

Fengshun Science and Technology Co., Ltd. (“**Beijing Maiteng**”); (F) “**VIE Entities**” means Beijing Yisheng Leju Information Services Co., Ltd. (“**Beijing Leju**”), Shanghai Yi Xin E-Commerce Co., Ltd. (“**Shanghai Yi Xin**”) and Beijing Jiajuju E-Commerce Co., Ltd. (“**Beijing Jiajuju**”); and (G) “**PRC Group Entities**” means the WFOEs and the VIE Entities.

II. Opinions

Based on the foregoing and subject to the disclosures contained in the Registration Statement and the qualifications set out below, we are of the opinion that, as of the date hereof, as far as PRC Laws are concerned:

1. Based on our understanding of the current PRC Laws, neither CSRC approval nor any other Governmental Authorization is required under the M&A Rules in the context of the Offering because the ownership structures of the Company’s PRC subsidiaries and consolidated VIE Entities were not established through acquisition of equity interests or assets of any PRC domestic company by foreign entities as defined under the M&A Rules. However, there are uncertainties regarding the interpretation and application of PRC Laws, and there can be no assurance that the Governmental Agencies will ultimately take a view that is not contrary to our opinion stated above.
2. The ownership structures of the VIE Entities as disclosed under the captions “Prospectus Summary”, “Risk Factors — Risks Related to Our Corporate Structure”, “Corporate History and Structure” and “Related Party Transactions — Contractual Arrangements with Beijing Leju, Shanghai Yi Xin and Beijing Jiajuju (the consolidated VIEs)” of the prospectus included in the Registration Statement are in compliance with PRC Laws. Each of the VIE Agreements has been duly authorized and executed by the parties thereto. Each of the VIE Agreements is valid, binding and enforceable in accordance with their respective terms under PRC Laws, and does not violate PRC Laws. However, there are substantial uncertainties regarding the interpretation and application of PRC Laws, and there can be no assurance that the Governmental Agencies will ultimately take a view that is not contrary to our opinion stated above.

This Opinion is subject to the following qualifications:

1. This Opinion is, in so far as it relates to the validity and enforceability of a contract, subject to (A) any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws in the PRC affecting creditors’ rights generally; (B) possible judicial or administrative actions or any PRC Laws affecting creditors’ rights; (C) certain legal or statutory principles affecting the validity and enforceability of contractual rights generally under the concepts of public interest, interest of the state, national security, reasonableness, good faith and fair dealing, and applicable statutes of limitation; (D) any circumstance in connection with formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable, fraudulent, or coercive at the conclusions thereof; (E) any possible judicial discretion, discretion of arbitration tribunal or administrative action with respect to the availability of indemnifications, remedies, defenses or injunctive relief, the calculation of damages, the entitlement of attorneys’ fees and other costs, and the waiver of immunity from jurisdiction of any court or from legal process.
2. This Opinion is subject to the discretion of any competent PRC legislative, administrative or judicial bodies or arbitration tribunals in the interpretation or implementation of PRC Laws.
3. This Opinion relates only to the PRC Laws and we express no opinion as to any other laws and regulations. This Opinion is based on the PRC Laws and the interpretation and implementation thereof that are in effect as of the date of this Opinion. There is no guarantee that any of the PRC Laws, or the interpretation or implementation thereof, will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect.
4. This Opinion is intended to be used in the context which is specifically referred to herein and each section should be looked on as a whole regarding the same subject matter and no part should be extracted and referred to independently.

This Opinion is delivered solely to the Company and solely for the purpose of and in connection with the Registration Statement publicly submitted to the SEC on the date of this Opinion and may not be relied upon by any other person or used for any other purpose without our prior written consent.

We hereby consent to (A) the use of this Opinion in, and the filing hereof as an exhibit to, the Registration Statement; and (B) the use of our firm’s name under the captions “Risk Factors”, “Enforceability of Civil Liabilities”, “Regulation”, “Related Party Transactions” and “Legal Matters” in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Yours sincerely,

/s/ Fangda Partners

Appendix A

List of VIE Agreements

Beijing Leju:

- (1) Exclusive call option agreement among Shanghai SINA Leju, Beijing Leju, Mr. Xudong Zhu and Mr. Zuyu Ding dated September 10, 2011;
- (2) Loan agreement among Shanghai SINA Leju, Mr. Xudong Zhu and Mr. Zuyu Ding dated September 10, 2011;
- (3) Shareholder voting rights proxy agreement among Shanghai SINA Leju, Beijing Leju, Mr. Xudong Zhu and Mr. Zuyu Ding dated September 10, 2011;

- (4) Equity pledge agreement among Shanghai SINA Leju, Beijing Leju, Mr. Xudong Zhu and Mr. Zuyu Ding dated September 10, 2011; and
- (5) Exclusive technical support agreement between Shanghai SINA Leju and Beijing Leju dated May 8, 2008.

Shanghai Yi Xin:

- (1) Exclusive call option agreement among Shanghai Yi Yue, Shanghai Yi Xin, Mr. Zuyu Ding and Mr. Weijie Ma dated December 8, 2011;
- (2) Loan agreement among Shanghai Yi Yue, Mr. Zuyu Ding and Mr. Weijie Ma dated September 20, 2011;
- (3) Shareholder voting rights proxy agreement among Shanghai Yi Yue, Shanghai Yi Xin, Mr. Zuyu Ding and Mr. Weijie Ma dated December 8, 2011;
- (4) Equity pledge agreement among Shanghai Yi Yue, Shanghai Yi Xin, Mr. Zuyu Ding and Mr. Weijie Ma dated December 8, 2011; and
- (5) Exclusive technical support agreement between Shanghai Yi Yue and Shanghai Yi Xin dated December 5, 2011.

Beijing Jiajuju:

- (1) Exclusive call option agreement among Beijing Maiteng, Beijing Jiajuju, Mr. Zuyu Ding and Mr. Weijie Ma dated April 1, 2012;
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- (2) Loan agreement among Beijing Maiteng, Mr. Zuyu Ding and Mr. Weijie Ma dated February 1, 2012;
 - (3) Shareholder voting rights proxy agreement among Beijing Maiteng, Beijing Jiajuju, Mr. Zuyu Ding and Mr. Weijie Ma dated April 1, 2012;
 - (4) Equity pledge agreement among Beijing Maiteng, Beijing Jiajuju, Mr. Zuyu Ding and Mr. Weijie Ma dated April 1, 2012; and
 - (5) Exclusive technical support agreement between Beijing Maiteng and Beijing Jiajuju dated April 1, 2012.
-

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January 21, 2014

Confidential
Draft Registration Statement
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Leju Holdings Limited
Confidential Submission of the Draft Registration Statement on Form F-1

Dear Sir/Madam,

On behalf of our client, Leju Holdings Limited, a foreign private issuer organized under the laws of the Cayman Islands (the “**Company**”), we are hereby submitting a draft registration statement on Form F-1 (the “**Draft Registration Statement**”) relating to a proposed initial public offering in the United States of the Company’s ordinary shares to be represented by American depositary shares (“**ADSs**”) via EDGAR to the Securities and Exchange Commission (the “**Commission**”) for confidential review pursuant to the Jumpstart Our Business Startups Act (the “**JOBS Act**”). The Company is a consolidated wholly-owned subsidiary of E-House (China) Holdings Limited, a reporting company under the Securities Exchange Act of 1934, as amended, that is listed on the New York Stock Exchange. The Company confirms that it is an “emerging growth company” as defined in the JOBS Act and its securities have not been previously sold pursuant to an effective registration statement under the Securities Act of 1933, as amended. A registration statement on Form F-6 relating to the ADSs will be filed with the Commission in due course.

Financial Statements

The Company has included in this submission its audited consolidated financial statements as of December 31, 2011 and 2012 and for each of the two years ended December 31, 2011 and 2012, and unaudited condensed consolidated financial statements as of September 30, 2013 and each of the nine-month periods ended September 30, 2012 and 2013.

As an emerging growth company, the Company has included in the Draft Registration Statement selected financial information as of and for the years ended December 31, 2011 and 2012 and the nine-month periods ended September 30, 2012 and 2013, and omitted the selected financial information as of and for the years ended December 31, 2008, 2009 and 2010.

The Company plans to include in a revised Registration Statement its audited consolidated financial statements and selected financial information as of and for the year ended December 31, 2013. In addition, certain data and information with respect to “Capitalization”, “Management” and “Dilution” tables have been omitted from this confidential filing but will be included based on updated data and information in a revised Registration Statement.

Waiver of the Requirement of Item 8.A.4 of Form 20-F

The Company respectfully requests that the Commission waive the requirement of Item 8.A.4 of Form 20-F, which states that in the case of a company’s initial public offering (“**IPO**”), the Registration Statement on Form F-1 must contain audited financial statements of a date not older than 12 months from the date of the offering unless a waiver is obtained. *See also* Division of Corporation Finance, *Financial Reporting Manual*, Section 6220.3.

The Company is submitting this waiver request pursuant to Instruction 2 to Item 8.A.4 of Form 20-F, which provides that the Commission will waive the 12-month age of financial statements requirement “in cases where the company is able to represent adequately to us that it is not required to comply with this requirement in any other jurisdiction outside the United States and that complying with this requirement is impracticable or involves undue hardship.” *See also* the Staff’s 2004 release entitled *International Reporting and Disclosure Issues in the Division of Corporation Finance* (available on the Commission’s website at <http://www.sec.gov/divisions/corpfin/internatl/cfirdissues1104.htm>) at Section III.B.c, in which the Staff notes:

“the instruction indicates that the staff will waive the 12-month requirement where it is not applicable in the registrant’s other filing jurisdictions and is impracticable or involves undue hardship. As a result, we expect that the vast majority of IPOs will be subject only to the 15-month rule.

In connection with this request, the Company represents to the Commission that:

1. The Company is not currently a public reporting company in any jurisdiction.
2. The Company is not required by any jurisdiction outside the United States to prepare, and has not prepared, consolidated financial statements audited under any generally accepted auditing standards for any interim period.
3. Compliance with Item 8.A.4 of Form 20-F at present which nears the end of the latest fiscal year, is impracticable and involves undue hardship for the Company.
4. The Company does not anticipate that its audited financial statements for the year ended December 31, 2013 will be available until March 2014.
5. In no event will the Company seek effectiveness of its Registration Statement on Form F-1 if its audited financial statements are older than 15 months at the time of the offering.

The Company will file this letter as an exhibit to the Registration Statement on Form F-1 pursuant to Instruction 2 to Item 8.A.4 of Form 20-F.

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If you have any questions regarding the Draft Registration Statement, please contact the undersigned by phone at +852-3740-4850 or via e-mail at julie.gao@skadden.com or the audit engagement partner at Deloitte Touche Tohmatsu Certified Public Accountants LLP, Lawrence Jin, by telephone at +86-21-6141-2019, or by email at lawrjin@deloitte.com.cn. Deloitte Touche Tohmatsu Certified Public Accountants LLP is the independent registered public accounting firm of the Company.

Very truly yours,

/s/ Z. Julie Gao

Z. Julie Gao

cc: Xin Zhou, Chairman, Leju Holdings Limited
Weijie Ma, Acting Chief Financial Officer, Leju Holdings Limited
Lawrence Jin, Partner, Deloitte Touche Tohmatsu Certified Public Accountants LLP
David Roberts, Partner, O’Melveny & Myers LLP
Ke Geng, Partner, O’Melveny & Myers LLP