As filed with the Securities and Exchange Commission on September 2, 2010

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SouFun Holdings Limited

(Exact name of registrant as specified in its charter)

Cayman Islands	7379	Not Applicable
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

8th Floor, Tower 3, Xihuan Plaza
No. 1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China
Telephone: 86-10-5930-6668
(Address and telephone number, including area code, of Registrant's principal executive offices)

Law Debenture Corporate Services Inc.
400 Madison Avenue, 4th Floor
New York, New York 10017
(212) 750-6474

Copies to:

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Two International Finance Centre	**Nine Queen's Road Central**	**3 Garden Road**
8 Finance Street	**Hong Kong**	**Central, Hong Kong**
Central, Hong Kong	**(852) 2826-8688**	**(852) 2514-7600**
(852) 2509-7888		

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, or the Securities Act, check the following box. o

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

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. o

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. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be registered(1)(2)	Proposed maximum offering price per share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Class A ordinary shares, par value HK$1.00 per share(1)	13,492,896	US$10.625	US$143,362,020	US$10,222

(1) Includes Class A 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 such ordinary shares are first bona fide offered to the public, and also includes Class A ordinary shares that may be offered upon the exercise by the underwriters of their over-allotment option. The Class A ordinary shares are not being registered for the purpose of sales outside the United States. American depositary shares, or ADSs, evidenced by American depositary receipts, or ADRs, issuable upon deposit of the Class A ordinary shares registered hereby, will be registered pursuant to a separate registration statement on Form F-6. Each ADS represents four Class A ordinary shares.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(a) under the Securities Act. Includes offering price of Class A ordinary shares that may be offered upon the exercise by the underwriters of their over-allotment option.

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 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.

Subject to Completion. Preliminary Prospectus Dated September 2, 2010

SouFun Holdings Limited

2,933,238 American depositary shares
representing 11,732,952 Class A ordinary shares

This is the initial public offering of American depositary shares, or ADSs, representing Class A ordinary shares of SouFun Holdings Limited. Each ADS represents four of our Class A ordinary shares.

We are selling 246,914 ADSs. Telstra International Holdings Limited, or Telstra International, is selling 1,826,002 ADSs, and the other selling shareholders named in this prospectus are selling an aggregate of 860,322 ADSs. We will not receive any proceeds from the sale of the ADSs by the selling shareholders. We anticipate that the initial public offering price per ADS will be between US$40.50 and US$42.50.

Investing in the ADSs involves risks that are described in "Risk Factors" beginning on page 13 of this prospectus.

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

	Per ADS	Total
Public offering price	US$	US$
Underwriting discounts and commissions	US$	US$
Proceeds, before expenses, to SouFun Holdings Limited	US$	US$
Proceeds, before expenses, to the selling shareholders	US$	US$

Telstra International, one of the selling shareholders, has granted the underwriters an option to purchase up to an aggregate of 439,986 additional ADSs solely to cover over-allotments, if any.

Following this offering, we will have two classes of authorized ordinary shares, Class A ordinary shares and Class B ordinary shares. The rights of the holders of Class A and Class B ordinary shares are identical, except with respect to voting and conversion rights. Each Class A ordinary share will be entitled to one vote per share. Each Class B ordinary share will be entitled to 10 votes per share and is convertible at any time into one Class A ordinary share. Assuming the underwriters have not exercised their over-allotment option to purchase additional ADSs, upon the completion of this offering, our existing shareholders will hold 25,298,329 Class B ordinary shares and 6,579,090 Class A ordinary shares. Our Class B ordinary shares will represent 83.8% of the total voting rights in our Company. Our dual-class ordinary share structure involves certain risks. Until the closing date of this offering, we may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants. Such non-voting ordinary shares will automatically convert into Class A ordinary shares on a 1:1 basis upon the closing of this offering. See the relevant risk factors on page 54 of this prospectus for a detailed discussion of such risks.

Prior to this offering, there has been no public market for our ADSs or ordinary shares. We have received approval to list our ADSs on the New York Stock Exchange under the symbol "SFUN."

The underwriters expect to deliver the ADSs on or about , 2010.

Deutsche Bank Securities **Goldman Sachs (Asia) L.L.C.**

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You should only rely on the information contained in this prospectus and any free-writing prospectus filed with the Securities and Exchange Commission in connection with this offering. We have not authorized anyone to provide you with information different from that contained in this prospectus and such filed free-writing prospectus. We and the selling shareholders are offering to sell, and seeking offers to buy, ADSs only in jurisdictions where such offers and sales of ADSs are permitted. The information contained in this prospectus or any filed free-writing prospectus is accurate only as of its date, regardless of the time of its delivery or of any sale of ADSs.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

Unless we indicate otherwise, information contained in this prospectus assumes that the underwriters have not exercised their right to purchase ADSs pursuant to the over-allotment option and that there has been no exercise of the 9,564,050 options outstanding as of June 30, 2010 to purchase Class A or Class B ordinary shares granted to our executive officers and employees.

Except where the context otherwise requires and for purposes of this prospectus only,

- "we," "us," "Company," "our" or "SouFun" refers to SouFun Holdings Limited, SouFun.com Limited, the name of our Company prior to July 14,1999, and its PRC subsidiaries as follows:
  - SouFun Media Technology (Beijing) Co., Ltd., or SouFun Media;
  - Beijing SouFun Network Technology Co., Ltd., or SouFun Network;
  - Beijing SouFun Information Consultancy Co., Ltd., or Beijing Information;
  - Beijing Zhong Zhi Shi Zheng Information Technology Co., Ltd., or Beijing Zhong Zhi Shi Zheng;
  - Shanghai SouFun Information Co., Ltd., or SouFun Shanghai;
  - SouFun Information (Shenzhen) Co., Ltd., or SouFun Shenzhen;
  - SouFun Information (Tianjin) Co., Ltd., or SouFun Tianjin; and
  - SouFun Information (Guangzhou) Co., Ltd., or SouFun Guangzhou;

  and its offshore subsidiaries as follows:
  - China Index Academy Limited, incorporated in Hong Kong, or China Index Academy;
  - Bravo Work Investments Limited, incorporated in Hong Kong, or Bravo Work;
  - Max Impact Investments Limited, incorporated in Hong Kong, or Max Impact;
  - Selovo Investments Limited, incorporated in the British Virgin Islands, or Selovo Investments; and
  - Pendiary Investments Limited, incorporated in the British Virgin Islands, or Pendiary Investments;

  and, in the context of describing our operations and consolidated financial statements, our 11 consolidated controlled entities in China (also referred to as PRC Domestic Entities in our consolidated financial statements and related notes included elsewhere in this prospectus) as follows:
  - Beijing SouFun Internet Information Service Co., Ltd., or Beijing Internet;
  - Beijing Jia Tian Xia Advertising Co., Ltd., or Beijing Advertising;
  - Beijing SouFun Science and Technology Development Co., Ltd., or Beijing Technology;
  - Beijing China Index Information Co., Ltd., or Beijing China Index;
  - Shanghai Jia Biao Tang Advertising Co., Ltd., or Shanghai JBT Advertising;
  - Shanghai SouFun Advertising Co., Ltd., or Shanghai Advertising;
  - Beijing Century Jia Tian Xia Technology Development Co., Ltd., or Beijing JTX Technology;
  - Tianjin Jia Tian Xia Advertising Co., Ltd., or Tianjin JTX Advertising;

- Shanghai China Index Consultancy Co., Ltd., or Shanghai China Index;
- Beijing Li Tian Rong Ze Technology Development Co., Ltd., or Beijing Li Tian Rong Ze; and
- Tianjin Xin Rui Jia Tian Xia Advertising Co., Ltd., or Tianjin Xin Rui.

- "China" or "PRC" or "Chinese" refers to the People's Republic of China, which, for geographical and statistical purposes, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
- "GFA" refers to gross floor area and "sq.m." refers to square meter(s);
- "shares" or "ordinary shares" refers to our ordinary shares, which, following this offering, will include both Class A ordinary shares and Class B ordinary shares; and
- all references to "RMB" or "Renminbi" are to the legal currency of China, all references to "Hong Kong dollars" or "HK$" are to the legal currency of the Hong Kong Special Administrative Region, and all references to "U.S. dollars" or "US$" are to the legal currency of the United States of America.

We have sourced various Internet and online marketing industry data used in this prospectus from CR-Nielsen, an independent market research firm, and Data Center of China Internet, or DCCI, an independent market research institution, both of which were commissioned by us. We have assumed the correctness and truthfulness of such data, including projections and estimates, when we use them in this prospectus. You should read our cautionary statement in "Forward-Looking Statements" in this prospectus.

This prospectus contains translations of Renminbi amounts into U.S. dollars and vice versa at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations were made using the noon buying rate in The City of New York rate as set forth in the H.10 statistical release of the Federal Reserve Board and in effect on December 31, 2009, which was RMB6.8259 to US$1.00. We make no representation that any Renminbi amount referred to in this prospectus could have been or could be converted into U.S. dollars at any particular rate, or at all. On August 27, 2010, the noon buying rate in The City of New York for cable transfers in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York was RMB6.7977 to US$1.00.

PROSPECTUS SUMMARY

You should read the following summary together with the entire prospectus, including the more detailed information regarding us, the ADSs being sold in this offering, and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

Overview

We operate the leading real estate Internet portal in China in terms of the number of page views and visitors to our website in 2009, according to a report issued in March 2010 by DCCI, an independent market research institution, commissioned by us. We are also a leading home furnishing and improvement website in terms of unique visitors according to research from CR-Nielsen, an independent market research firm, commissioned by us. According to a report issued in March 2010 by CR-Nielsen, our website, *www.soufun.com*, had a 46.3% market share of the online real estate advertising market in China in 2009 by estimated revenues. Through our website, we provide marketing, listing and other value-added services and products for China's fast-growing real estate and home furnishing and improvement sectors. Our user-friendly website supports an active online community and network of users seeking information on, and other value-added services and products for, the real estate and home furnishing and improvement sectors in China. Our current and forthcoming service offerings include:

- *Marketing services:* We offer marketing services on our website, mainly through advertisements, to real estate developers in the marketing phase of new property developments, as well as to real estate agencies and other home furnishing and improvement vendors who wish to promote their products and services, including home furnishing and improvement products and services, furniture, electronics and other products. We also intend to integrate paid priority placement of customer links in keyword search results into our current search and search ranking services. The substantial majority of our revenues are derived from marketing services;
- *Listing services:* We offer basic and special listing services. Basic listing services are mainly offered to real estate agents, brokers, property developers, property owners and managers and providers of home furnishing and improvement products and services, and allow them to post information on properties, home furnishing and improvement and other related products and services on our website. Special listings consist of a customized marketing program primarily involving the coordination and promotion of offline themed events; and
- *Other value-added services and products:* We offer subscription-based access to our information database, research reports and "total web solution" services, which integrate our customers' services and products into our website, and also include website design services.

We have built a large and active community of users who are attracted by the comprehensive real estate and home furnishing and improvement content available on our portal that forms the foundation of our service offerings. We currently maintain 63 offices to focus on local market needs and, as of June 30, 2010, our website and database contained:

- over 139,000 listings for new residential property complexes, approximately eight million listings of secondary and rental residential properties, as well as over 140,000 listings of commercial properties for sale and lease;
- over 8,000 brands and one million listings from home furnishing and improvement vendors across China; and
- content coverage of real estate-related content, search services, marketing and listing coverage of 106 cities in China.

Our user base has also attracted numerous customers, which include real estate developers, real estate agents and brokers, property owners, property managers, mortgage brokers, lenders and suppliers of home furnishing and improvement products and services. According to a report issued in March 2010 by DCCI, we obtained advertisements from 60.0% of online real estate advertisers among real estate information services websites in China in 2009. Our diverse offerings and broad geographic coverage have resulted in an active and dynamic online community that provides an effective and targeted channel for advertisers to market their products and services, and serves as a centralized source of information, products and services for consumers interested in the real estate and home furnishing and improvement markets.

In 2007, 2008, 2009 and the six months ended June 30, 2010, we had revenues of US$57.9 million, US$104.1 million, US$127.0 million and US$68.2 million, respectively. During the same periods, our net income attributable to our shareholders was US$12.2 million, US$23.4 million, US$52.7 million and US$5.3 million, respectively. Marketing, listing and other value-added services and products accounted for 80.6%, 13.8% and 5.6%, respectively, of our revenues in 2009 and 66.9%, 20.5% and 12.6%, respectively, of our revenues in the six months ended June 30, 2010. According to a report issued in March 2010 by CR-Nielsen, in 2008 and 2009, our website, *www.soufun.com,* received a weekly average of over 8.2 million and 9.8 million unique visitors, respectively, and generated a weekly average of over 12.0 million and 12.3 million website visits, respectively.

Our Strengths

We believe we have the following strengths, which have enabled us to become a leading real estate and home furnishing and improvement Internet portal in China:

- Leading market position and national brand name with powerful network effects;
- Broad geographic coverage with local market expertise and highly scalable business model;
- Extensive customer relationships and strategic partnerships in China;
- Robust technology platform with focus on user experience; and
- Experienced management team with extensive industry knowledge and proven track record.

Our Strategies

We intend to continue building an online destination that appeals to a wide variety of consumers and provides a comprehensive and in-depth source of real estate, home furnishing and improvement information and other value-added services and products. We intend to further consolidate our position as a leading real estate and home furnishing and improvement Internet portal in China by strengthening our customer relationships and expanding our service platform and geographic reach. To achieve this goal, we will pursue the following strategies:

- Strengthen relationships with customers through premium, customized services;
- Strategically phase in service offerings in our existing network of cities;
- Leverage our user base to introduce and monetize additional product offerings;
- Continue to enhance our technology platform and user interface to strengthen user experience; and
- Selectively pursue strategic alliances and acquisitions.

Online Advertising Market in China

According to iResearch Inc., a leading PRC online market research company headquartered in Shanghai, China, the online advertising market in China, including brand advertising and paid search, is projected to grow from RMB17.0 billion (US$2.5 billion) in 2008 to RMB58.5 billion (US$8.6 billion) in 2012, representing a compound annual growth rate, or CAGR, of 36.2%. At the same time, China's advertising market and online advertising market are still underpenetrated as compared to those of more developed countries. Based on data provided by iResearch, total advertising revenues in China were RMB201.4 billion (US$29.5 billion) in 2008, accounting for 0.7% of total gross domestic product, or GDP. Online advertising revenues in China were RMB17.0 billion (US$2.5 billion) in 2008, accounting for 8.4% of total advertising revenues.

We believe that Internet users who search for real estate or home furnishing and improvement information on the Internet are an especially attractive demographic for real estate and home furnishing and improvement advertisers in China because they often comprise the more affluent and educated consumers. The Internet also provides a more targeted and cost-effective advertising medium for real estate developers, brokers and suppliers of home furnishing and improvement products and services to reach desirable customers. As such, over the long term, we expect that demand for online advertising, online listing and other Internet services from China's real estate and home furnishing and improvement sectors will continue to grow.

China Real Estate and Home Furnishing and Improvement Market

China's real estate market, and in particular the market for new residential properties, has experienced significant growth in recent years. According to the 2009 China Statistical Yearbook, the total area of real estate development sold in GFA grew from approximately 720.5 million sq.m. in 2004 to 1,252.5 million sq.m. in 2008, representing an increase of 73.8%. The secondary real estate market in China is at an early stage of development, but we expect it to grow quickly in the coming years as an increasing number of high quality properties in desirable locations become available in the secondary market, as buyers move into secondary properties being vacated by buyers of new properties and as the proportion of government-assigned properties diminishes. We believe that the real estate sector will continue to be one of the major industries in China and will grow significantly in the foreseeable future, largely driven by increasing urbanization, continued macroeconomic growth and rising personal consumption across the nation.

We believe that with the growing supply of and demand for primary, secondary and rental properties, as well as increasing competition among property developers, owners, brokers and agents, demand for online advertising, online listing and other Internet services will continue to experience strong growth. In addition, we expect the fast growing home furnishing and improvement market to create additional demand for online advertising and online listing services. According to Datamonitor Inc., an independent information and market analysis company, the market value of the home improvement industry in China grew from RMB212.0 billion in 2004 to RMB357.6 billion in 2008, representing a CAGR of 14.0%. Furthermore, according to the 2006-2009 China Statistical Yearbooks, the per capita annual living expenditure of urban households for household facilities and services grew from RMB407 in 2004 to RMB692 in 2008, representing a CAGR of 14.2%. We believe this trend will continue in line with the growth in per capita disposable income.

Risks and Challenges

Our ability to achieve our goals and execute our strategies is subject to risks and uncertainties, including the following:

- whether the online marketing industry in China will continue to develop and our ability to obtain listings from our key customer groups, such as property developers, real estate agents, brokers, and property owners and managers;
- our ability to compete successfully against our current or future competitors;
- our ability to maintain and enhance brand awareness;
- the performance of the real estate sector in China, which is heavily regulated, relatively immature and volatile, and subject to stringent government regulations that may change from time to time;
- our ability to develop and maintain an effective system of internal controls over financial reporting;
- uncertainties associated with the effectiveness of our contractual arrangements in providing operational control over our controlled consolidated entities in China, including effectiveness of voting proxies and our ability to enforce our rights under these contractual arrangements; and
- the uncertain legal and regulatory environment in China for foreign-invested companies operating in the Internet and online advertising sectors.

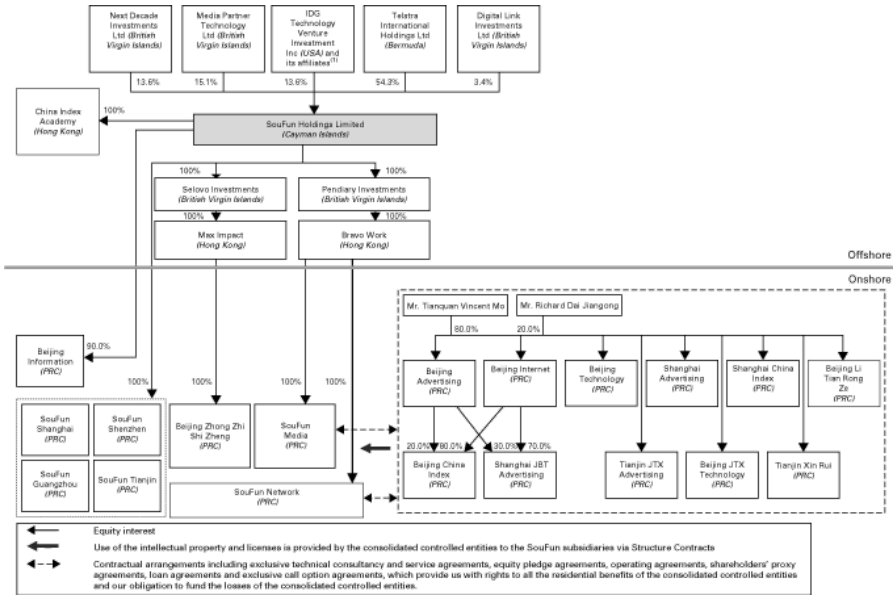
Please see “Risk Factors” and other information included in this prospectus for a discussion of these risks, challenges and uncertainties.

Corporate History and Structure

We were incorporated on June 18, 1999 in the British Virgin Islands and changed our corporate domicile to the Cayman Islands on June 17, 2004, becoming a Cayman Islands exempted company with limited liability. We maintain our operational headquarters in Beijing, China and have various subsidiaries and offices across China. Our principal executive office is located at 8th Floor, Tower 3, Xihuan Plaza, No. 1 Xizhimenwai Avenue, Xicheng District, Beijing 100044, China, and our telephone number is +86-10-5930-6668. Our website address is *www.soufun.com*. The information contained in our website, as well as any information contained in our other websites referenced elsewhere in this prospectus, is not a part of this prospectus. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., 400 Madison Avenue, 4th Floor, New York, New York 10017.

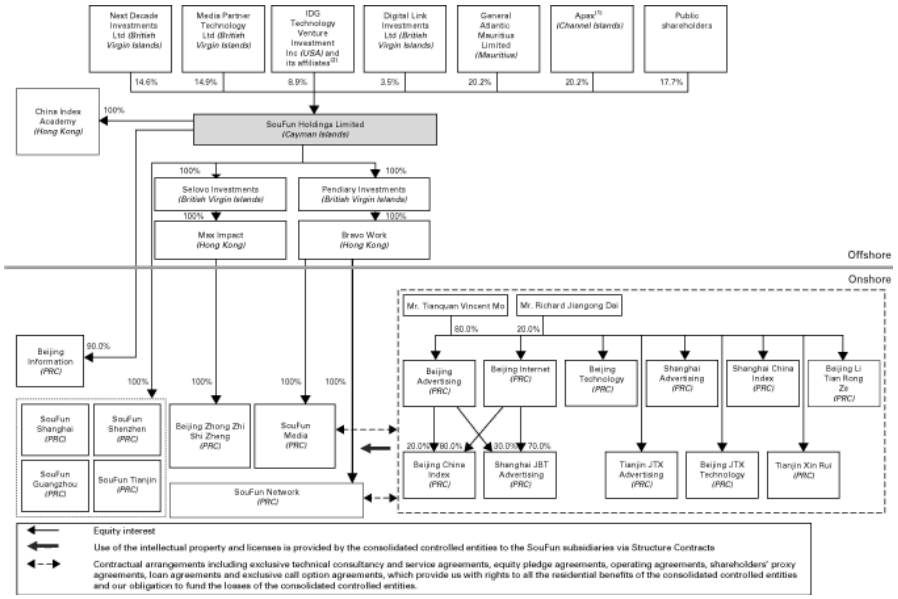
Foreign ownership in the Internet content provision and advertising businesses is subject to restrictions under current PRC laws, rules and regulations. To comply with the applicable PRC laws, rules and regulations, we conduct our operations in China through a series of contractual arrangements entered into among two of our PRC subsidiaries, SouFun Media and SouFun Network, and our 11 consolidated controlled entities: Beijing Internet, Beijing Advertising, Beijing Technology, Beijing China Index, Shanghai JBT Advertising, Shanghai Advertising, Beijing JTX Technology, Tianjin JTX Advertising, Shanghai China Index, Beijing Li Tian Rong Ze and Tianjin Xin Rui. We refer to these contractual arrangements, each as amended, as the Structure Contracts in this prospectus. These consolidated controlled entities hold the licenses and approvals that are required to operate our Internet content provision, or ICP, and advertising businesses. As a result of these Structure Contracts, under accounting principles generally accepted in the United States, or U.S. GAAP, we demonstrate the ability to control the consolidated controlled entities through our rights to all the residual benefits of the consolidated controlled entities and our obligation to fund the losses of the consolidated controlled entities. Accordingly, we consolidate their results in our financial statements. For a description of these contractual arrangements, see “Our History and Corporate Structure—Structure Contracts.”

The following diagram illustrates our current corporate and share ownership structure with our consolidated controlled entities as of the date of this prospectus:



(1) Affiliates of IDG Technology Venture Investment Inc. include IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P.

The following diagram illustrates our expected corporate and share ownership structure with our consolidated controlled entities immediately following the closing of this offering (assuming full exercise by the underwriters of their over-allotment option) and the Telstra Private Placement:



(1) Refers to the following three entities affiliated with Apax Partners LLP: Hunt 7-A Guernsey L.P. Inc, Hunt 7-B Guernsey L.P Inc and Hunt 6-A Guernsey L.P. Inc.

(2) Affiliates of IDG Technology Venture Investment Inc. include IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P.

THE OFFERING

Price per ADS	We currently estimate the initial public offering price will be between US$40.50 and US$42.50 per ADS.
ADSs offered by us	246,914 ADSs
ADSs offered by the selling shareholders	2,686,324 ADSs (or 3,126,310 ADSs if the underwriters exercise in full their over-allotment option to purchase additional ADSs).
ADSs outstanding immediately after this offering	2,933,238 ADSs (or 3,373,224 ADSs if the underwriters exercise in full their over-allotment option to purchase additional ADSs).
Class A ordinary shares outstanding immediately after this offering	49,007,482 Class A ordinary shares (or 50,767,426 Class A ordinary shares if the underwriters exercise in full their over-allotment option to purchase additional ADSs).
Class B ordinary shares outstanding immediately after this offering	25,298,329 Class B ordinary shares (or 25,298,329 Class B ordinary shares if the underwriters exercise in full their over-allotment option to purchase additional ADSs).
Ordinary shares	Our share capital will consist of Class A and Class B ordinary shares upon completion of this offering. Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Each Class A ordinary share will be entitled to one vote on all matters subject to shareholders' vote, and each Class B ordinary share will be entitled to 10 votes on all matters subject to shareholders' vote. Each Class B ordinary share will be convertible into one Class A ordinary share at any time by its holder. Upon transfer of any Class B ordinary share by its holder to any person or entity that is not an affiliate of such holder (as defined in our amended and restated articles of association), such Class B ordinary share will be automatically and immediately converted into a Class A ordinary share. Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstance.
Right to purchase additional ADSs	Telstra International, one of the selling shareholders, has granted to the underwriters the right, exercisable for 30 days after the date of this prospectus, to purchase from it up to an aggregate of 439,986 additional ADSs at the initial public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions.

The ADSs	Each ADS represents four Class A ordinary shares, par value HK$1.00 per share. The ADSs will be evidenced by ADRs. The depositary will be the holder of the ordinary shares underlying the ADSs and you will have the rights of an ADR holder as provided in the deposit agreement among us, the depositary and owners and beneficial owners of ADSs from time to time. You may surrender your ADSs to the depositary to withdraw the ordinary shares underlying your ADSs. The depositary will charge you a fee for such an exchange. We may amend or terminate the deposit agreement for any reason without your consent. If an amendment becomes effective, you will be bound by the deposit agreement as amended if you continue to hold your ADSs. To better understand the terms of the ADSs, you should carefully read the section in this prospectus entitled “Description of American Depositary Shares.” We also encourage you to read the deposit agreement, which is an exhibit to the registration statement that includes this prospectus.
Use of proceeds	We plan to use the net proceeds we receive from this offering for general corporate purposes. See “Use of Proceeds” for additional information. We will not receive any of the proceeds from the sale of the ADSs by the selling shareholders.
Risk factors	See “Risk Factors” and other information included in this prospectus for a discussion of the risks and uncertainties you should carefully consider before deciding to invest in our ADSs.
Listing	We have received approval to list our ADSs on the New York Stock Exchange. Our ordinary shares will not be listed for trading on any exchange or quoted for trading on any over-the-counter trading system.
Proposed New York Stock Exchange symbol	“SFUN”
Depositary	JPMorgan Chase Bank, N.A.
Lock-up	We, the selling shareholders, all of our other existing shareholders, General Atlantic Mauritius Limited, or General Atlantic, Hunt 7-A Guernsey L.P. Inc, Hunt 7-B Guernsey L.P. Inc and Hunt 6-A Guernsey L.P. Inc, such three Hunt entities collectively, Apax, our directors and executive officers and a substantial majority of our option holders 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. In addition, through a letter agreement, we have agreed to instruct JPMorgan Chase Bank, N.A., as

depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we consent to such deposit or issuance, and not to provide consent without the prior written consent of the representatives of the underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. See “Shares Eligible for Future Sale” and “Underwriting.”

SUMMARY CONSOLIDATED FINANCIAL DATA

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

The following summary consolidated statement of operations data and consolidated cash flow data for the years ended December 31, 2007, 2008 and 2009, and summary consolidated balance sheet data (except for ADS information) as of December 31, 2008 and 2009 are derived from our audited consolidated financial statements included elsewhere in this prospectus, and should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and related notes. Our consolidated financial statements are prepared in accordance with U.S. GAAP and have been audited by Ernst & Young Hua Ming, an independent registered public accounting firm. The report of Ernst & Young Hua Ming on our consolidated financial statements is included in this prospectus. The summary consolidated statement of operations data (except for ADS information) and summary consolidated cash flow data for the six months ended June 30, 2009 and 2010 and the summary consolidated balance sheet data as of June 30, 2010 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our results of operations in any period may not necessarily be indicative of the results that may be expected for any future period.

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
	(US$ in thousands, except per ordinary share and ADS data)				
Consolidated statement of operations data					
Revenues					
Marketing services(1)	46,552	86,252	102,367	29,503	45,586
Listing services	9,885	16,070	17,559	5,398	14,006
Other value-added services and products	1,439	1,802	7,123	2,056	8,593
Total revenues	57,876	104,124	127,049	36,957	68,185
Cost of revenues					
Cost of services	(12,630)	(22,162)	(26,484)	(9,506)	(18,164)
Cost of other value-added services and products	—	—	(4,863)	(1,185)	(6,887)
Total cost of revenues	(12,630)	(22,162)	(31,347)	(10,691)	(25,051)
Gross profit	45,246	81,962	95,702	26,266	43,134
Operating expenses:					
Selling expenses	(13,221)	(18,708)	(25,186)	(9,988)	(16,742)
General and administrative expenses	(12,158)	(19,857)	(22,176)	(9,379)	(14,330)
Operating income:	19,867	43,397	48,340	6,899	12,062
Foreign exchange gain (loss)	8	(2,826)	(59)	(17)	(481)
Interest income (2)	707	1,221	1,205	613	1,162
Realized gain—trading securities	—	—	195	85	164
Government grant	211	360	730	336	356
Income before income tax	20,793	42,152	50,411	7,916	13,263
Income tax (expense)/benefit	(8,457)	(18,805)	2,199	(4,190)	(7,965)
Net income	12,336	23,347	52,610	3,726	5,298
Net income (loss) attributable to non-controlling interest	125	(34)	(42)	(20)	(11)
Net income attributable to SouFun Holdings Limited shareholders	12,211	23,381	52,652	3,746	5,309

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
	(US$ in thousands, except per ordinary share and ADS data)				
Income per ordinary share					
Basic	0.16	0.32	0.71	0.05	0.07
Diluted(3)	0.16	0.30	0.68	0.05	0.07
Dividend declared per ordinary share	0.55	—	0.59	—	—
Income per ADS					
Basic	0.64	1.28	2.84	0.20	0.28
Diluted	0.64	1.20	2.72	0.20	0.28
Dividend declared per ADS	2.20	—	2.36	—	—
Weighted average number of ordinary shares outstanding					
Basic	74,020,217	74,020,217	73,986,129	74,020,217	73,932,217
Diluted	76,997,410	77,092,197	77,418,960	77,386,202	77,851,697
Weighted average number of ADSs outstanding					
Basic	18,505,054	18,505,054	18,496,532	18,505,054	18,483,054
Diluted	19,249,353	19,273,049	19,354,740	19,346,551	19,462,924
Share-based compensation included in:					
Cost of revenues	160	268	489	238	251
Selling expenses	142	323	595	295	338
General and administrative expenses	1,915	2,126	3,056	1,480	1,228

(1) Marketing services include related-party amounts of nil and US$375,000 in the six months ended June 30, 2009 and 2010, respectively, relating to marketing services provided to the Hainan property developer that was the subject of the Dong Fang Xi Mei commitment deposit described in the section entitled "Certain Relationships and Related Party Transactions—Related Party Loans and Other Payments." See note 10 to the unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

(2) Interest income includes related party amounts of nil, nil, US$85,000, nil and US$305,000 in 2007, 2008 and 2009 and the six months ended June 30, 2009 and 2010, respectively.

(3) Income per ordinary share (diluted) and income per ADS (diluted) for each year from 2007 to 2009 and the six months ended June 30, 2009 and 2010 have been computed, after considering the dilutive effect of the shares underlying employees' share options and, as applicable, preferred shares.

The following table presents a summary of our consolidated balance sheet data as of December 31, 2008 and 2009 and June 30, 2010:

- on an actual basis; and
- on an as adjusted basis to reflect the exercise of 1,125,000 vested stock options by Media Partner to purchase 1,125,000 Class A ordinary shares, the issuance of 20,882 non-voting ordinary shares to Telstra International upon its exercise of 41,250 vested stock options by means of net-share settlement and the issuance and sale of 987,656 Class A ordinary shares in the form of ADSs by us in this offering based on the initial public offering price shown on the front cover of this prospectus, after deducting the estimated offering expenses payable by us. A US$1.00 increase (decrease) in the assumed initial public offering price of US$41.50 per ADS, the mid-point of the estimated range of the initial public offering price, would increase (decrease) the amounts representing total current assets, total assets, total SouFun Holdings Limited's equity, total shareholders' equity and shareholders' equity by US$0.9 million.

	As of December 31,		As of June 30,	
	2008	2009	2010	
	Actual	Actual	Actual	As Adjusted
	(US$ in thousands)			
Consolidated balance sheet data				
Total current assets	102,861	149,224	176,745	114,414
Total assets	107,246	154,494	185,079	194,125
Total current liabilities	79,867	124,306	132,187	132,187
Total liabilities	93,858	129,993	141,628	141,628
Total SouFun Holdings Limited's equity	13,283	24,438	43,399	52,445
Non-controlling interests	105	63	52	52
Total shareholders' equity	13,388	24,501	43,451	52,497
Total liabilities and shareholders' equity	107,246	154,494	185,079	194,125

The following table presents a summary of our consolidated cash flow data in 2007, 2008 and 2009 and the six months ended June 30, 2009 and 2010:

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
	(US$ in thousands)				
Consolidated cash flow data					
Net cash generated from operating activities	30,493	44,568	65,966	24,005	18,198
Net cash (used in) generated from investing activities	(7,596)	(2,598)	(12,034)	8,927	(5,600)
Net cash used in financing activities	(2,647)	(16,210)	(24,789)	(24,241)	—
Net increase in cash and cash equivalents	21,774	28,954	29,217	8,713	13,129
Cash and cash equivalents at beginning of year/period	12,294	34,068	63,022	63,022	92,239
Cash and cash equivalents at end of year/period	34,068	63,022	92,239	71,735	105,368

RISK FACTORS

Investing in our ADSs involves significant risks and uncertainties. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below and our consolidated financial statements and related notes, 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 Relating to Our Business

Our business depends substantially on revenues from our marketing services, including primarily online advertising, and participants in the real estate and home furnishing and improvement sectors may choose other advertising media over online advertising, which could lead to loss of our revenues.

All of our marketing service revenues are generated through our website, and we expect to continue to derive a significant proportion of our revenues from marketing. Marketing represents our largest source of revenues, accounting for 80.4%, 82.8%, 80.6% and 66.9% of our revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. In particular, our new home business accounted for 84.2%, 87.6%, 85.1%, 88.9% and 84.9% of our marketing service revenues in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, respectively. New home business primarily consists of sales of marketing services to residential property developers and their sales agents who are in the process of promoting newly developed properties for sale.

Although the online marketing industry in China has been growing, advertisers in the real estate sector in China have typically relied on traditional forms of advertising media, such as newspapers, magazines and outdoor advertising. If we are unable to retain and develop our base of advertising customers, including property developers and home furnishing and improvement product and service providers, our business may not grow as quickly as we expect. Moreover, advertisers may not continue to do business with us if they do not perceive our marketing services to be effective or our user demographics to be desirable.

Our ability to continue to generate and maintain marketing service revenues depends on a number of factors, many of which are beyond our control, including:

- the amount of user traffic on our website, our ability to achieve user demographic characteristics that are attractive to advertisers, and our ability to demonstrate such user traffic and demographic characteristics through our website traffic tracking tools and reporting systems;
- potential downward pressure on online marketing pricing due to increased competition from other online advertisers and traditional online advertising media; and
- widespread adoption of technologies that permit Internet users to selectively block unwanted web views, including advertisements on web pages.

If we are unable to remain competitive and provide value to our advertisers, they may stop placing advertisements with us, which would have a material adverse effect on our business, financial condition and results of operations.

If we are unable to continue to obtain listings from our key customer groups, including property developers, real estate agents, brokers, and property owners and managers, our business, financial condition and results of operations could be materially and adversely affected.

We derive a significant portion of our revenues from our listing services. In 2007, 2008 and 2009 and for the six months ended June 30, 2010, listing service revenues represented approximately 17.1%, 15.4%, 13.8% and 20.5%, respectively, of our revenues. Our strategy includes persuading property developers, real estate agents, brokers and property owners and managers to list their properties on our website. We believe having large numbers of high-quality listings from such real estate professionals attracts users to our website, thereby enhancing our attractiveness to advertisers and other real estate market participants. None of our listing agreements are exclusive. Our listing customers may choose not to continue to use our listing services and may choose to utilize the services of one or more of our competitors or alternative means of listing, such as real estate magazines or newspapers. If owners of large numbers of property listings, such as major developers or large brokers or property owners in key real estate markets, choose not to renew their existing agreements with us, our website could become less attractive to users. In turn, if we experience reduced user traffic on our website, advertisers from whom we derive the largest proportion of our revenues, and other real estate market participants, may discontinue the use of or be unwilling to pay for our services. In such an event, our competitive position could be significantly weakened and our business, financial condition and results of operations could be materially and adversely affected.

We derive a substantial portion of our revenues from four of China's major urban centers, in particular, Beijing and Shanghai, and we face market risk due to our concentration in these major urban areas.

We derive a substantial portion of our revenues from four of China's major urban centers: Beijing, Shanghai, Shenzhen and Guangzhou. In 2007, 2008, 2009 and the six months ended June 30, 2010, we generated revenues of US$37.1 million, US$54.6 million, US$72.9 million and US$37.9 million, respectively, or 64.1%, 52.4%, 57.4% and 55.5%, respectively, of our revenues, from these four urban centers. In particular, in 2007, 2008, 2009 and the six months ended June 30, 2010, Beijing and Shanghai, in aggregate, accounted for US$29.3 million, US$43.7 million, US$60.5 million and US$29.4 million, respectively, or 50.6%, 42.0%, 47.6% and 43.1%, respectively, of our revenues. We expect these four urban centers to continue to be important regional sources of revenues in all of our revenue categories. If any of these major urban centers experience events which negatively impact the real estate industry or online advertising, such as a serious economic downturn or contraction, a natural disaster, or a slower growth due to adverse governmental policies or otherwise, demand for our services could decline significantly and our revenues and profitability could be materially reduced.

We may fail to compete successfully against current or future competitors, which could significantly reduce our market share and materially and adversely affect our business, financial condition and results of operations.

We face competition from other companies in each of our primary business activities. In particular, the online real estate and home furnishing and improvement Internet service market in China is becoming increasingly competitive. The barriers of entry for establishing Internet-based businesses are low, thereby allowing new entrants to emerge rapidly. As the online real estate and home furnishing and improvement Internet service industry in China is relatively new and constantly evolving, our current or future competitors may be better able to position themselves to compete as the industry matures. We also face competition from companies in other media that offer online advertising, online listing and similar services. In particular, 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 and home furnishing and improvement Internet service 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 fees. Furthermore, our current competitors include major Internet portals in China that provide real estate or home furnishing and improvement Internet services, such as *Sina.com* and *Sohu.com*, which may have more established brand names, larger visitor numbers and more extensive Internet distribution channels than we do.

In addition, we have faced and may continue to face strong competition from regionally focused websites providing regional real estate listings together with localized services. 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 Internet services market for real estate and home furnishing and improvement in China would have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to maintain and enhance brand awareness for our website could lead to loss of existing customers and qualified personnel.

We believe maintaining and enhancing our brand name as a leading real estate and home furnishing and improvement Internet company in China is a critical part of our strategy. In addition to promoting the SouFun brand through our direct sales force, we also intend to continue to pursue other means to enhance brand awareness, including publication of real estate and home furnishing and improvement research reports to members of the real estate and home furnishing and improvement sectors, participation in real estate and home furnishing and improvement research organizations, event sponsorships, portal collaboration arrangements, and advertising and marketing activities. We cannot assure you that our efforts will be successful in maintaining or enhancing our brand awareness. If our brand enhancement strategy is unsuccessful, or if other brands surpass our brand in customer recognition in one or more cities in which we operate, we may fail to attract new or retain existing users, customers or qualified personnel, which could materially decrease our revenues and profitability.

Loss of our right to use the “SouFun” brand name, or unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may materially and adversely affect our business, financial condition, results of operations and reputation.

We regard our copyrights, trademarks, trade secrets, domain names and other intellectual property as important to our business. Unauthorized use of such intellectual property, whether owned by us or licensed to us, may materially and adversely affect our business, financial condition, results of operations, reputation and competitive advantages. 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. The measures we take to protect our intellectual property rights may not be adequate and policing the unauthorized use of our intellectual property is difficult and expensive.

We have applied to register in China the Chinese and English dual-language “SouFun” trademark as well as “SouFun” in English and “搜房” (“SouFun” in Chinese) individually for use in certain relevant industry categories. We have successfully registered the dual-language trademarks in certain industry categories, but our applications for certain other industry categories have encountered conflicts with existing registrations or applications for similar trademarks by another PRC company in certain industry classes. We are in the process of resolving these conflicting trademark applications, but we estimate that this process may take several years to complete. According to CCPIT Patent & Trademark Law Office, our intellectual property agent, in practice, determination of the title to a trademark is generally made on the basis of three elements: (i) who has first applied for registration of the trademark in dispute; (ii) who has first used the trademark in dispute; and (iii) who has the reputation of using such trademark in the market. CCPIT Patent & Trademark Law Office is of the opinion that we first applied for and used the relevant trademarks, and our use of such trademarks has been reputable in the market. However, unless and until we secure the trademark registrations for which we have applied, we may be unable to effectively enforce our proprietary rights in connection with such trademarks or prevent the use by others of trademarks identical or similar to ours. Moreover, if the conflicting trademark applications are not resolved in our favor, we may be unable to use part or all of our current name or trademarks in our business operations. Our business, financial condition and results of operations may be materially and adversely affected if we lose the right to use the “SouFun” brand names, or if we are unable to prevent third parties from using our trademarks, as we would not be able to leverage such brand names to develop our business and protect the brand’s reputation and would lose the benefits of brand awareness among Internet users in China.

In addition, the validity, enforceability and scope of protection of intellectual property in Internet-related industries in China is uncertain and still evolving, and could involve substantial risks. The laws and enforcement procedures in China are not yet well developed, and do not protect intellectual property rights to the same extent as laws and enforcement procedures in the United States and other jurisdictions. Furthermore, litigation may be necessary in the future to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources and have a material adverse effect on our business, financial condition and results of operations. If we are unable to adequately protect the intellectual property rights that we own or use, we may lose these rights and our business, growth prospects and profitability may suffer.

Our business could be materially and adversely affected by fluctuations in, and government measures influencing, China’s real estate industry.

We conduct our real estate services business primarily in China, and our business depends substantially on conditions of the PRC real estate market. In particular, our new home business, which accounted for 69.2%, 73.3%, 69.7% and 84.9% of our total revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively, depends upon growth in the real estate-related industry nationwide and in specific regions in China. Demand for private residential property in China has grown rapidly in recent years, but such growth is often coupled with volatility in market conditions and fluctuation in property prices. For example, the rapid expansion of the property market in major provinces and cities in China in the early 1990s, such as Shanghai, Beijing and Guangdong Province, led to an oversupply in the mid-1990s and a corresponding fall in property values and rentals in the second half of the decade. Since the late 1990s, property prices and the number of new property development projects have generally been increasing in major cities. Fluctuations of supply and demand in China’s real estate market are caused by economic, social, political and other factors. To the extent fluctuations in the real estate market adversely affect the demand for real estate and home furnishing and improvement services and for real estate- and home furnishing and

improvement-related advertising, demand for our products and services, as well as the level of our growth and profitability, may be materially reduced.

The real estate market in China is typically affected by changes in government policies affecting the financial markets and related areas. In the past, the PRC government has adopted various administrative measures to restrain what it perceived as unsustainable growth in the real estate market, particularly when the real estate market in China has experienced rapid and significant increases in home sales as well as prices. In 2007, home sales and prices in China rose rapidly to unprecedented levels, culminating in a housing downturn beginning in late 2007 due to the PRC government's intervention in the real estate market to stabilize market prices and reduce market speculation. The PRC real estate market may experience a downturn in the future, as home sales and prices in China have experienced a rapid increase since early 2009. In response, the PRC government has promulgated a series of policies since late 2009 to cool down what is considered to be an over-heated real estate market, such as restrictions on the provision of loans for buyers upon their third or subsequent home, raising the minimum down-payment amount and lending rates for purchasers of second homes, strengthening the supervision of the purchase and financing of land acquisitions by real estate developers. In April 2010, the PRC government announced further tightening measures targeted at the PRC property markets nationwide, such as raising the minimum down-payment to 50% for purchasers of their second homes and to 30% for purchasers of their first residential properties exceeding specified gross floor areas, and restricting the ability of developers to finance properties through pre-sales. In response to such policies, certain local PRC governmental agencies, including agencies in Beijing, Guangzhou and Shenzhen, which are China's major urban centers where we have operations, introduced implementation rules in April 2010, May 2010 and May 2010, respectively. These policies and rules have aimed to stem rising prices by targeting financing rules, multiple-unit ownership and tax policy. These or other policies and rules aimed at controlling growth in the real estate markets in China have affected and could further affect demand for marketing, listing or other services related to real estate advertising, which could have a material and adverse impact on our business, financial condition and results of operations. Any of the following could cause a decline in home sales and prices, which in turn could affect the demand for real estate and home furnishing and improvement services and advertising:

- restrictive monetary policies adopted by the PRC government, including any significant increase in interest rates;
- adverse developments in the credit markets and/or mortgage financing markets resulting from PRC government policies;
- policies regarding land supply;
- significant increases in transaction costs as a result of changes in PRC government policies regarding real estate transaction taxes, such as the recent announcement regarding the reinstatement of a sales tax on residential property sales by individuals within five years of purchase;
- adverse changes in PRC government policies regarding the acquisition and/or ownership of real estate;
- adverse changes in PRC national or local government policies or practices regarding brokerage, referral or franchise business or related fees and commissions; or
- other PRC government policies or regulations that burden real estate transactions or ownership.

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 and Publication (formerly the State Press and Publications Administration) 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 controlled entities 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 affect 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 website in China.

If any of our consolidated controlled entities fails to maintain the applicable licenses and approvals held by it under the complex regulatory environment for Internet-based businesses and online advertising businesses in China, or any of our PRC subsidiaries or consolidated controlled entities fail to pass its annual government inspection or obtain renewal of its business license, our business, financial condition and results of operations would be materially and adversely affected.

The Internet and online advertising industries in China are still at a relatively early stage of development and 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 and Publication, the State Administration of 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. We cannot assure you that the relevant PRC governmental authorities will not find us to be in violation of any of the PRC laws, rules and regulations relating to our Internet content distribution and online advertising businesses.

Our consolidated controlled entities are required to obtain applicable licenses or approvals from various regulatory authorities in order to provide advertising and other value-added services and products. These licenses or approvals are essential to the operation of our business and are generally subject to annual review by the relevant PRC governmental authorities. For example, each of Beijing Internet, Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising currently holds an Internet content provider

license, or ICP license, as they are each required to obtain and maintain such ICP license under the applicable PRC laws, rules and regulations; and each of Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising currently holds an approval for operating electronic bulletin board services as required under the applicable PRC laws, rules and regulations. Beijing Advertising, Beijing Internet, Shanghai Advertising and certain other consolidated controlled entities are allowed to provide marketing services in accordance with the business scope indicated in each of their respective business licenses. Each of Beijing Internet, Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising, however, may be required to obtain additional licenses, including an Internet publication license and/or an Internet news information service license, as these entities may be deemed by the PRC regulatory authorities to be engaged in the provision of Internet publication services and Internet news information services. Since our website includes online residential communities that allow visitors to post information, including graphics or weblinks to videos, other websites or data in microblogs or online discussion forums, on our website for discussion with other users, the release of such information on our website may trigger the requirement for each of Beijing Internet, Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising to obtain an Internet publication license in China. Similarly, if we or third parties post information that may be viewed as news information, the release of such information on our website may trigger the requirement to obtain an Internet news information license in China.

Beijing Technology, Beijing Internet, Beijing JTX Technology, Beijing China Index and Beijing Advertising have applied to the relevant government authorities for Internet publication licenses and/or Internet news information service licenses in accordance with applicable PRC laws, rules and regulations. The relevant government authorities have informed us orally that these applicants do not need to apply for the Internet publication licenses on the basis of their current business operations. However, such government authorities have not informed us as to when they will make a decision on whether these applicants need to apply for, or whether such government authorities will issue, the Internet news information service licenses on the basis of the current business operations of such applicants. We are also continuing our discussion with the relevant government authorities on our application for, and the authorities' issuance of, Internet news information service licenses and to provide the relevant government authorities with supplemental information as requested. We, like many other similarly-situated business operators, have been operating our businesses without such licenses. Based on our informal discussions with the relevant government authorities and after completion of applications for Beijing Internet, Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising, we believe we will comply with the legal requirements to apply for the licenses. However, King & Wood, our PRC legal counsel, has indicated that it is unable to express an opinion regarding our compliance with the legal requirements relating to the applications for these Internet news information service licenses because (1) the relevant PRC regulatory authorities have significant discretion in interpreting the laws, rules and regulations applicable to the issuance of Internet publication licenses and Internet news information service licenses, including the legal requirements stipulated in the relevant laws, rules and regulations; and (2) the relevant PRC regulatory authorities have broad discretion in determining whether the relevant company has complied with the legal requirements interpreted by the relevant PRC regulatory and authorities. In particular, King & Wood has informed us that it is unclear whether the PRC regulatory authorities will request further information or impose stricter standards for successful application for these licenses. Since we are not a traditional news agency and it is unclear whether the relevant PRC licensing laws, rules and regulations relating to the provision of Internet news information services are meant to regulate our business operations, King & Wood has also expressed its inability to provide an opinion as to whether we would be in compliance with such PRC laws, rules and regulations by continuing to operate our business while applying for such licenses.

We have not received, nor have we learned that any other similar-situated business operator has received, any notice from the regulators threatening to suspend such business operations due to the lack of such licenses. However, despite the oral confirmation by the relevant government authorities as described above, if the PRC regulators take a more restrictive view or position on such regulation, then under the applicable PRC laws, rules and regulations, the failure to obtain and/or maintain an Internet publication license and/or Internet news information service license may subject the entity to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on their business operations, or the discontinuation of their operations. Although Beijing Internet, Beijing Technology, Beijing JTX Technology, Beijing China Index and Beijing Advertising have not received any revenues directly from Internet publication services or Internet news information services, we cannot assure you that the PRC regulatory authorities will not impose any such penalties. Any such disruption in the business operations of our consolidated controlled entities could materially and adversely affect our business, financial condition and results of operations.

As a precondition to conducting business operations in China, our PRC subsidiaries and consolidated controlled entities are each subject to an annual inspection by SAIC or its local branches. SAIC conducts such annual inspection of the registration information of PRC corporate entities by examining the financial statements, annual inspection reports and other documentation such corporate entities prepare and submit to SAIC on an annual basis as required by the PRC laws, rules and regulations. Subsequent to the annual inspection, the business licenses of our PRC subsidiaries and consolidated controlled entities are also subject to renewal on an annual basis. These PRC entities must fulfill various statutory requirements before they may pass the annual inspection and receive their renewed business licenses. Due to a change in our business strategy in Tianjin and after our contribution of US$49,900 out of US$500,000 of the registered capital in 2001, we ceased business operations at SouFun Tianjin and did not complete the contribution of registered capital to SouFun Tianjin. Failure to contribute such registered capital is a violation of SouFun Tianjin's constitutive or organizational documents. In January 2008, the relevant SAIC authorities revoked the business license of SouFun Tianjin. Based on our communications with the relevant SAIC authorities, SouFun Tianjin's business license was revoked due to our failure to fully contribute to its registered capital. We are currently discussing with the relevant SAIC authorities in Tianjin to dissolve SouFun Tianjin. According to applicable PRC laws, rules and regulations, if a person, as the "legal representative" of a PRC company, i.e., a member of the company's senior management so designated in the company's constitutive documents, who bears the most corporate fiduciary duty in the company, is liable for the revocation of the business license of such company for its illegal conduct, such person may not serve as any PRC company's director, supervisor or senior management personnel for a three-year period commencing from the date of such revocation of the business license. Because of our failure to pay the registered capital in full, we may be subject to fines of between 5.0% to 15.0% of SouFun Tianjin's unpaid registered capital. Since Mr. Tianquan Vincent Mo, our founding shareholder, director and executive chairman, or Mr. Mo, was chairman of the board of directors, general manager and legal representative of SouFun Tianjin since its inception, if Mr. Mo is deemed by the relevant PRC regulatory authorities to bear personal responsibility for this failure to fully pay such registered capital, he may be forbidden from acting as a director, supervisor or as a member of senior management of our PRC subsidiaries and consolidated controlled entities for three years up to January 2011. As of the date of this prospectus, Mr. Mo has not received any notice to that effect from any PRC regulatory authorities and his service as the director and/or as a member of senior management of our PRC subsidiaries and consolidated controlled entities has not been impacted or challenged by any PRC regulatory authorities. None of our PRC subsidiaries and consolidated controlled entities have been informed of any determination by the relevant PRC legal authorities that Mr. Mo will be held liable for the failure to fully pay such registered capital. In September 2009 when we registered Tianjin Xin Rui with SAIC

Tianjin, the SAIC authorities did not take any action to prevent Mr. Mo from assuming the position as the executive director and general manager of Tianjin Xin Rui. Mr. Mo is also the executive director and general manager of Tianjin JTX Advertising registered with SAIC Tianjin. Both consolidated controlled entities passed their respective annual inspections by SAIC Tianjin in 2010 and the SAIC authorities have not asked Mr. Mo to cease being the executive director or general manager of Tianjin Xin Rui or Tianjin JTX Advertising. King & Wood, our PRC counsel, has also advised us that, except as otherwise disclosed in this prospectus, PRC laws, rules and regulations do not provide for any sanctions that would interfere with any services provided by Mr. Mo to us upon which we are dependent. However, we cannot assure you that SAIC will not issue such a notice or make a contrary determination as SAIC has considerable discretion in interpreting such PRC laws, rules and regulations. Should SAIC issue such a notice or make a contrary determination, we may not be able to locate suitable or qualified replacements and may incur additional expenses to identify Mr. Mo's successor.

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 website 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 website;
- 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 website 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. All of our servers and routers, including back-up servers, are currently hosted by third-party service providers in Beijing and Shanghai and all information on our website is backed up weekly. Any hacking, security breach or other system disruption or failure which 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.

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 website to mirror our online resources, either of which could increase our expenses and reduce our net income.

Breaches of security in connection with our website could expose us to potential liability and harm our reputation.

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. We cannot assure you that future security breaches, if any, would not have a material adverse effect on our business, financial condition, results of operations and prospects.

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 channels 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 Telecommunications Corporation, or China Telcom, and China United Netcom (Hong Kong) Ltd, or China Unicom, 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 Telecom and China Unicom, or if China Telecom or China Unicom 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 Telecom and China Unicom. 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.

You should not rely on our quarterly operating results as an indication of our future performance because our quarterly financial results are subject to fluctuations.

The real estate sector in China is characterized by seasonal fluctuations, which may cause the growth rate of our revenues to vary from quarter to quarter. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced advertising and marketing activity 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. Furthermore, as we are substantially dependent on sales of marketing and listing services, our quarterly revenues and results of operations are likely to be affected by:

- seasonality of the real estate market and real estate consumers' purchasing patterns;

- our ability to retain existing customers and attract new customers for our marketing and listing services;
- the amount and timing of our operating expenses and capital expenditures;
- the adoption of new, or changes to existing, governmental regulations;
- a shortfall in our revenues relative to our forecasts and a decline in our operating results; and
- economic conditions in general and specific to the real estate industry and to China.

These factors are difficult to discern in our historical results since our revenues have grown rapidly in recent years. As a result, you should not rely on our quarter-to-quarter comparisons of our results of operations as indicators of likely future performance.

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

As an Internet portal company, we participate in an industry characterized by rapidly changing technology and new products and services. To remain competitive, we must continue to develop and expand our content and service offerings. We must also continue to enhance and improve the ease of use, functionality and features of our website. 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. 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, which could affect our marketability as a popular advertising and listing media. If we are not successful in incorporating new Internet technologies, our future profitability and growth could be materially and adversely affected.

Our revenues and profitability could suffer if we are unable to successfully implement our growth strategies or manage our growth effectively.

We intend to grow our business by rolling out our full suite of services, including marketing and listing services for our new home, secondary and rental properties and home furnishing and improvement businesses, from the 39 out of 106 cities where we provide all our currently available services as of June 30, 2010 to the remaining 67 cities across China where we currently offer primarily real estate and home furnishing and improvement content coverage through our localized website portals. We also plan to expand into new geographic areas and sectors. However, some of our growth strategies relate to new services and technologies for which there are no established markets in China or relate to services, technologies, new geographic markets or new businesses in which we have limited or no experience. Moreover, due to the breadth and diversity of the PRC real estate and home furnishing and improvement market, our business model may not be successful in new and untested markets as demand and preferences may vary significantly by region. As a result, we may not be able to leverage our experience to expand into other parts of China or to enter into businesses with respect to new products or services. We cannot assure you that we will be able to successfully grow our secondary and rental property and home furnishing and

improvement businesses in our existing cities. We also cannot assure you that we will be able to enter new geographic markets or deliver new services and technologies on a commercially viable basis or in a timely manner, or at all. If we are unable to successfully implement our growth strategies, our revenues and profitability may not grow as we expect, and our competitiveness may be materially and adversely affected.

Increases in the volume of our website traffic as a result of our expansion into new geographic regions could also strain the capacity of our existing computer systems, which could lead to slower response times or system failures. This would cause the number of real estate search inquiries, advertising impressions, other revenue producing offerings and our informational offerings to decline, any of which could significantly reduce our revenue growth and our brand loyalty. We may need to incur additional costs to upgrade our computer systems in order to accommodate increased demand if our systems cannot handle current or higher volumes of traffic. Mismanagement of any of our services in new or existing markets or the deterioration of the quality of our services could significantly damage our brand names and reputation and adversely impact our ability to attract and retain customers and visitor traffic.

Our growth plans place a significant demand on our management, systems and other resources. In addition to training and managing a growing workforce, we will need to continue to develop and improve our financial and management controls and our reporting systems and procedures. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations, and any failure to do so may limit our future growth and have a material adverse effect on our business, financial condition and results of operations.

The members of our senior management team, in particular, Mr. Mo, our founding shareholder, director and executive chairman, have played an important role in the growth and development of our business, and if we are unable to continue to retain their services, our business, financial condition and results of operations could be materially and adversely affected.

Our future success is significantly dependent upon the continued services of our senior management. In particular, Mr. Mo has played an important role in the growth and development of our business. To date, we have relied heavily on the expertise and experience of Mr. Mo and other senior management personnel in our business operations, including their extensive knowledge of the PRC real estate market, their strong reputation in the PRC real estate industry, and their relationships with our employees, relevant regulatory authorities and many of our customers. If Mr. Mo or other senior management personnel are unable or unwilling to continue in their present positions, we may not be able to locate suitable or qualified replacements and may incur additional expenses to identify their successors. In addition, if Mr. Mo or other senior management personnel join a competitor or form a competing company, we may lose our customers, and our collaboration arrangements may be disrupted, which would have a material adverse effect on our business, financial condition, results of operations and prospects. We do not maintain key-man insurance for Mr. Mo or other senior management personnel.

Failure to attract and retain qualified personnel 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 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. We cannot assure you we will be able to attract or retain the quality personnel that we need to achieve our business

objectives. If we fail to successfully attract new personnel or retain and motivate our current personnel, we may lose competitiveness and our business, growth, profitability and prospects could be materially and adversely affected.

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.

We cannot be certain that our services and information provided on our website do not or will not infringe patents, copyrights or other intellectual property rights held by third parties. From time to time, we may be subject to legal proceedings and claims alleging infringement of patents, trademarks or copyrights, or misappropriation of creative ideas or formats, or other infringement of proprietary intellectual property rights.

In particular, if our current applications for registering our trademarks in certain relevant industry categories are unsuccessful and we continue to use such trademarks after these or similar trademarks have been registered by another entity, or if a holder of any registered trademark similar to ours claims that we are infringing its trademark rights, we could potentially face civil liability for damages, including forfeiture of profits earned from illegal use of the trademark. See "—Loss of our right to use the 'SouFun' brand name, or unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may materially and adversely affect our business, financial condition, results of operations and reputation." In addition, Beijing China Index was fined RMB10,000 in 2008 by the local branch of SAIC in connection with the use of the trade name "China Index Research Institution" for providing consulting services on our website. If we continue to do so, we could be subject to additional fines, penalties or other sanctions. In addition, we have previously been involved in disputes arising from alleged infringement of third parties' copyrights on our website, such as the use of photos or articles to which we did not have the rights, which led to judgments against us. We could be subject to similar claims, suits or judgments in the future if we post information to which we do not have the rights. Any such claims, regardless of merit, may involve us in time-consuming and costly litigation or investigation and divert significant management and staff resources. If we are found to have violated the intellectual property rights of others, we may be enjoined from using such intellectual property and may also be ordered to pay fines or monetary damages. As a result, we would be required to enter into expensive royalty or licensing arrangements or to develop alternative technologies, business methods, content or other intellectual property. We expect that the likelihood of such claims may increase as the number of competitors in our markets grows and as related patents and trademarks are registered and copyrights are obtained by such competitors. In addition, as we have expanded, and may continue to expand, our business into new geographical markets, we may be exposed to such claims in jurisdictions other than China and the scope of intellectual property protection in these overseas jurisdictions may be different from or greater than that in China. The intellectual property laws in overseas jurisdictions may also impose more stringent compliance requirements and cause more potential damages or penalties than those in China. Such claims in overseas jurisdictions, if successful, could require us to pay significant compensatory and punitive damage awards as well as expose us to costly and time-consuming litigation or investigations, all of which could materially disrupt our business and have a material adverse effect on our growth and profitability.

We are exposed to potential liability for information on our website 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.

We provide third-party content on our website such as real estate listings, links to third-party websites, advertisements and content provided by users of our community-oriented services. We could be exposed to liability with respect to such third-party information. 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 website, including statistics or other data we compile internally, or information contained in websites linked to our website contains errors or omissions, and users could seek damages for losses incurred as a result of their reliance upon incorrect information. In addition, our website 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.

Potential acquisitions, which form part of our strategy, may disrupt our ability to manage our business effectively, including our ability to successfully integrate acquired businesses into our existing operations.

Potential acquisitions form part of our strategy to further expand our business. Future acquisitions and the subsequent integration of new companies or businesses will require significant attention from our management, in particular to ensure that the acquisition does not disrupt any existing collaborations, or affect our users' opinion and perception of our services and customer support. In addition, our management will need to ensure that the acquired 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, future acquisitions 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 acquisitions; and
- potential loss of, or harm to, relationships with employees, customers and users as a result of the integration of new businesses.

We have experienced problems with our internal control over financial reporting in the past. If we fail to develop and maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs.

Effective internal controls are necessary for us to provide accurate and timely financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our business reputation, financial condition and results of operations could be harmed. We have in the past discovered, and may in the future discover, areas of our internal controls involving deficiencies, significant deficiencies or material weaknesses that have required or will require improvements in our procedures on the preparation, review, approval and disclosure of financial reports and our systems for financial data backup. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow our management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

In November 2004, our prior registered independent public accounting firm, or the 2004 accounting firm, whom we had engaged in March 2004 to audit our consolidated financial statements in connection with a proposed initial public offering, expressed discomfort with our accounting records and systems during the course of its review of our book entries relating to certain advances to our employees. Our 2004 accounting firm also noted inconsistencies between the information we provided and our accounting records. In December 2004, following discussions with our then-existing audit committee, our 2004 accounting firm informed our audit committee and us that it was unable to continue its audit and was resigning as our registered independent public accounting firm, citing concerns about the reliability and sufficiency of our financial reporting processes, including our internal controls and systems, the financial information provided by our management and certain representations of our employees.

In early 2006, we engaged a new registered independent public accounting firm, or our 2006 accounting firm. Despite efforts by our management to improve our internal controls, our 2006 accounting firm informed us that we lacked sufficient financial accounting staff with U.S. GAAP knowledge or familiarity with SEC reporting processes. Our 2006 accounting firm also informed us that we initially recorded certain transactions in a manner inconsistent with U.S. GAAP. Furthermore, following discussions among us, our 2006 accounting firm and our 2004 accounting firm regarding our previous restatement of our 2001, 2002 and 2003 financial statements, our 2004 accounting firm notified us of its decision to withdraw its audit opinion on our financial statements for those years.

In November 2007, we terminated our working relationship with our 2006 accounting firm whom we had engaged to audit our 2004 and 2005 financial statements. In February 2008, Ernst & Young Hua Ming replaced our 2006 accounting firm. Ernst & Young Hua Ming is an affiliate of the independent auditor for Telstra International, which became our significant shareholder in August 2006. In connection with our dismissal of our 2006 accounting firm and our engagement of Ernst & Young Hua Ming, and based on our communications with our 2006 independent accounting firm and Ernst & Young Hua Ming, we do not believe any circumstances concerning the change in auditors needed to be brought to Ernst & Young Hua Ming's attention by our 2006 accounting firm.

Prior to 2006, we had an audit committee in place to assist us in the oversight of our financial reporting process, as well as a nominating and corporate governance committee and compensation committee. In 2006, our board of directors resumed direct oversight and responsibility for the functions that had been delegated to these committees.

In February 2010, in connection with this offering, we engaged Shenzhen Union Strength Business Consulting Co., Ltd., or Union Strength, to assess the effectiveness of our internal control over financial reporting and to make recommendations on our internal control over financial reporting, in preparation for our required future compliance with Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley. Based on the assessment set forth in Union Strength's February 2010 report, they recommended that we: (1) strengthen our corporate governance structure, including our audit disclosure controls and relevant policies and procedures; (2) establish an audit committee, an effective internal audit function, a code of conduct, anti-fraud policies, a whistle-blower system and employee complaint handling procedures for accounting and auditing matters; (3) strengthen our procedures on the preparation, review, approval and disclosure of financial reports in preparation for becoming a listed company; (4) increase the number of financial staff with relevant accounting knowledge and experience with U.S. GAAP; (5) improve and regularly update documentation of our processes and controls, such as accounting manuals; (6) create policies on the maintenance and custody of written and electronic control evidence, such as working papers and supporting documents; and (7) create formal access controls over the opening, cancelling and authorizing of an account in our application systems, improve management of important application systems and segregate our accounting responsibility and financial software system administration.

In April 2010, in connection with the audit of our financial statements included in this prospectus, Ernst & Young Hua Ming identified the following material weaknesses: (1) Ernst & Young Hua Ming noted that we did not have sufficient accounting personnel with an appropriate level of knowledge, experience and training in U.S. GAAP and SEC reporting matters to properly identify, analyze and conclude on accounting issues and to prepare financial statements in accordance with U.S. GAAP and SEC reporting requirements; and (2) Ernst & Young Hua Ming noted that we did not establish or maintain an effective independent oversight function, such as an independent audit committee, to fulfill the required oversight function of monitoring and evaluating the independent auditors, our financial performance, the transparency of our financial disclosures and the effectiveness of our internal controls, accounting policies and procedures. Ernst & Young Hua Ming also identified the following deficiencies in our internal control over financial reporting: (1) lack of formal documentation on transfer pricing policy; (2) lack of a comprehensive computerized system to timely track operating data and integrate with the accounting system; and (3) ineffective information technology, or IT, control environment for accounting and key business systems.

As we will be subject to the reporting obligations under the U.S. securities laws following this offering, we are in the process of further refining and enhancing our internal controls in order to satisfy the requirements of Section 404 of Sarbanes-Oxley, which requires annual management assessments of the effectiveness of our internal control over financial reporting and an assestation report by an independent registered public accounting firm on the effectiveness of our internal control over financial reporting. These requirements will first apply to our annual report on Form 20-F for the fiscal year ending December 31, 2011. To meet such requirements, we established an independent audit department in 2004 and are in the process of setting up certain internal control mechanisms including hiring staff experienced in accounting under U.S. GAAP and SEC reporting procedures, creating a standardized risk assessment system and enhancing our IT control system. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may still issue an adverse report on the effectiveness of our internal control

over financial reporting if such firm is not satisfied with our internal control over financial reporting or the level at which our controls are documented, designed, operated or reviewed, or if such firm interprets the relevant requirements differently from us. During the course of such evaluation, documentation and testing, we may identify deficiencies which we may not be able to remedy in time to meet the deadline for compliance with the requirements of Section 404 of Sarbanes-Oxley and as a result, our management may not be able to make the certifications required by Sarbanes-Oxley as to our internal controls. We also anticipate that we will incur considerable costs and devote significant management time and efforts and other resources to comply with Section 404 of Sarbanes-Oxley. In addition, we currently have certain loans to our directors outstanding. In order to comply with Section 402 of Sarbanes-Oxley, our directors will have to repay those loans to us prior to our public filing. If they fail to do so, we could be subject to sanctions or penalties under Sarbanes-Oxley. See “Certain Relationships and Related Party Transactions.”

If we fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to conclude that we have effective internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to provide accurate financial statements. Any failure to implement required internal controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations or provide accurate financial statements, which could cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our ADSs.

Our customers may not repay commitment deposits we have provided to them or may fail to honor the related exclusive online marketing or listing agreements with us.

As of June 30, 2010, we provided commitment deposits to two related parties, in an aggregate amount of RMB65 million (US$9.5 million). Of these commitment deposit amounts, RMB50 million (US$7.3 million) was paid to CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd., or Hengshui, and RMB15 million (US$2.2 million) was paid to Beijing Dong Fang Xi Mei Investment Consulting Co., Ltd., or Dong Fang Xi Mei. Hengshui is expected to repay the commitment deposit on November 4, 2010. On July 5, 2010, Dong Fang Xi Mei repaid the commitment deposit of RMB 15 million to us after early termination of our agreement with Dong Fang Xi Mei. In preparation for this offering and in the interest of good corporate governance, going forward, we will not enter into any new commitment deposit or loan arrangements with related parties. We generally divide a property development project into four main stages: (i) the early construction stage; (ii) the pre-sale stage, where construction is still in progress, but a significant portion of the project has been completed to satisfy the statutory requirements for issuance of the pre-sale permit by the relevant governmental authorities; (iii) the marketing and sales stage, which extends from pre-sale to completion of sales; and (iv) the after-sales support stage. We provided the Hengshui commitment deposit during the pre-sale stage. We understand that the Hengshui deposit was used (1) to fund project construction and development; (2) to finance activities in preparation for sales and marketing, such as recruitment of sales professionals, setting up of sales offices and advisory fees for marketing consultants; and (3) for general working capital for the subject real estate project. We provided the Dong Fang Xi Mei commitment deposit during the sales and marketing stage. We understand that the Dong Fang Xi Mei deposit was used to help Dong Fang Xi Mei fund its own commitment deposit provided to the Hainan property developer designated by it. While we do not have direct dealings with the Hainan property developer, based on our general understanding from Dong Fang Xi Mei, the developer used the deposit: (1) to fund its sales and marketing activities, such as advertising and promotion and ongoing

staff costs of its sales team; and (2) for general working capital for the subject real estate project.

On July 16, 2010, we agreed to provide a commitment deposit to Beijing Wei Ye Hang Real Estate Agency Co., Ltd., or Wei Ye, an independent real estate sales agent, in exchange for securing a role as the exclusive online marketing service provider for the Hainan project of the Hainan property developer that was the subject of the previous Dong Fang Xi Mei commitment deposit arrangement. The exact amount and terms of this commitment deposit have yet to be negotiated and may be up to RMB50 million. To the extent we enter into such commitment deposit arrangements with unrelated parties, however, we cannot guarantee that arrangements with such customers will ultimately result in the generation of online marketing or listing service revenues. Anticipated revenues from such arrangements may fail to materialize if the project does not result in significant levels of business for us, if the project is delayed, or otherwise. Moreover, as we have not historically specified the permissible scope of use of commitment deposits provided to our customers in the contracts relating to these commitment deposits, we do not have control over how the recipients of past commitment deposits use these funds, and there is a risk that currently outstanding and future potential commitment deposits will not be paid back to us. Going forward, we intend to specify that the commitment deposits paid to our customers must be applied toward the specified real estate development projects in order to fund their development, sales and marketing activities and general working capital, and may not be used to pay for marketing or listing services provided by us. Property development is a capital-intensive business and subject to various risks and uncertainties, including those disclosed in the risk factor "—Our business could be materially and adversely affected by fluctuations in, and government measures influencing, China's real estate industry." Therefore, the ability of commitment deposit recipients to repay our deposits at maturity will be subject to the risks associated with the property market in general and the subject property projects in particular. Should we be unable to recover our commitment deposits, whether due to the recipient's failure to honor our contractual arrangements, such party's bankruptcy, contractual disputes, or otherwise, we could suffer the loss of our commitment deposits and may be unable to secure exclusive rights for the provision of online marketing or listing services for that customer's property project.

Certain of our leased property interests may be defective and we may be forced to relocate operations affected by such defects, which could cause significant disruption to our business.

As of June 30, 2010, we had 115 leased properties in China with an aggregate GFA of approximately 36,716 sq.m. Approximately 78 of our leased properties, representing approximately 21,249 sq.m., all of which were used as offices, contained defects in the leasehold interests. Such defects included the lack of proper title or right to lease and the landlord's failure to duly register the lease with the relevant PRC government authority.

According to PRC laws, rules and 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 under PRC laws, rules and regulations, and may also be subject to challenge by third parties. In addition, according to PRC laws, rules and regulations, the failure to register the lease agreement will not affect its effectiveness between the tenant and the landlord, however, 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. Furthermore, the landlord and the tenant may be subject to administrative fines for such failure to register the lease.

We have initiated 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 business may be

interrupted and additional relocation costs may be incurred if we are required to relocate operations affected by such defects. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor.

We have limited business insurance coverage in China.

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 affect on our business and prospects.

Risks Relating to Our Corporate Structure

If the PRC government determines that the Structure Contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure.

Foreign ownership in the Internet content distribution and advertising businesses is subject to significant restrictions under current PRC laws, rules and regulations. These laws, rules and regulations also include limitations on foreign ownership in PRC companies that provide Internet content distribution and online marketing services. As we are a Cayman Islands company and our PRC subsidiaries and their branch companies in China are treated as foreign-invested enterprises under applicable PRC laws, we are subject to ownership limitations as well as special approval requirements on foreign investment. Specifically, foreign entities are not allowed to own more than a 50.0% equity interest in any PRC company operating an ICP business and are only allowed to directly own 100% of the equity interest of a PRC company operating an advertising business if such foreign entity has at least three years of direct experience operating an advertising business outside China, or less than 100% of the equity interest in the advertising business if the foreign investor has at least two years of direct experience operating an advertising business outside China. Currently, we do not directly operate an advertising business outside China and cannot qualify under PRC laws, rules and regulations to invest directly in a PRC entity that provides advertising services in China and our PRC foreign-invested subsidiaries may be prohibited from providing advertising services.

To comply with applicable PRC laws, rules and regulations, we conduct our operations in China through the Structure Contracts, a series of contractual arrangements entered into among two of our PRC subsidiaries, SouFun Media and SouFun Network, our 11 consolidated controlled entities, and their respective shareholders, which consist of exclusive technical consultancy and service agreements, equity pledge agreements, operating agreements, shareholders' proxy agreements, loan agreements, exclusive call option agreements, and intra-group memoranda of understanding, each as amended. As a result of these Structure Contracts, we demonstrate the ability to control the consolidated controlled entities through our rights to all the residual benefits of the consolidated controlled entities and our obligation to fund the losses of the consolidated controlled entities. Accordingly, we consolidate their results in our financial statements. For a description of the Structure Contracts, see "Our History and Corporate Structure—Structure Contracts." Our consolidated controlled entities hold the licenses and approvals that are essential to the operation of our Internet content distribution and advertising businesses. As certain agreements with our customers for Internet content distribution and advertising services were entered into directly with our PRC subsidiaries and not our

consolidated controlled entities, we cannot assure you that the PRC government will not deem our Internet content distribution and advertising business to be in violation of applicable PRC laws, rules and regulations. See also "—If our PRC subsidiaries are deemed to have engaged in online advertising or Internet information release businesses without required permits or licenses, they could be subject to penalties imposed by PRC regulatory authorities."

On July 26, 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 China's Administrative Rules on Foreign-Invested Telecommunications Enterprises prohibiting, among others, the renting, transferring or sale of a telecommunications license to foreign investors in any form. Under the MIIT Notice, holders of valued-added telecommunications business operating licenses, or their shareholders, must also directly own the domain names and trademarks used by such license holders in their daily operations. To comply with this requirement under the MIIT Notice, we terminated the trademark license agreements and domain name license agreements between Beijing Advertising and us as well as those between Beijing Internet and us in August 2006. We are also in the process of assigning all registered trademarks, trademark applications and domain names relating to "SouFun" and "Jia Tian Xia" to the relevant consolidated controlled entities in order to maintain their respective ICP licenses to operate as value-added telecommunication service providers. Since there is currently no official interpretation or implementation practice under the MIIT Notice, it remains uncertain how the MIIT Notice will be enforced and whether or to what extent the MIIT Notice may affect the legality of the corporate structures and contractual arrangements adopted by foreign-invested Internet companies, such as ours, that operate in China. In this connection, our PRC legal counsel, King & Wood, is of the opinion that: (i) each of our Structure Contracts is legal, valid and binding on the contracting parties under applicable PRC laws, rules and regulations; (ii) the execution, delivery, effectiveness, enforceability and performance of each of our Structure Contracts do not violate any published PRC laws, rules and regulations currently in force and effect; (iii) none of our Structure Contracts contravene any published PRC laws, rules and regulations currently in force and effect; and (iv) no filings, registrations, consents, approvals, permits, authorizations, certificates and licenses of any PRC government authorities, are currently required in connection with the execution, delivery, effectiveness, performance and enforceability of each Structure Contract, provided that the exercise of the call option in the future must be approved and registered by competent PRC government authorities.

However, the relevant PRC regulatory authorities have broad discretion in determining whether a particular corporate structure or contractual arrangement violates applicable PRC laws, rules and regulations, and may take a different view from that of our PRC legal counsel. If the past or current ownership structures, Structure Contracts and businesses of our Company, our PRC subsidiaries and our consolidated controlled entities are found to be in violation of any existing or future PRC laws, rules or regulations, MIIT and other relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking the business and operating licenses of our PRC subsidiaries or consolidated controlled entities, whose business and operating licenses are essential to the operation of our business;
- levying fines of the greater of RMB500,000 or an amount up to five times the revenues generated from operating activities violating the relevant regulations;
- confiscating our income or the income of our PRC subsidiaries and/or consolidated controlled entities;
- shutting down our servers or blocking our website;

- discontinuing or restricting our operations or the operations of our PRC subsidiaries and/or consolidated controlled entities;
- imposing conditions or requirements with which we, our PRC subsidiaries and/or consolidated controlled entities may not be able to comply;
- requiring us, our PRC subsidiaries and/or consolidated controlled entities to restructure the relevant ownership structure, operations or contractual arrangements; and
- taking other regulatory or enforcement actions that could be harmful to our business.

We cannot assure you that the relevant PRC regulatory authorities will not require that we restructure our Structure Contracts to comply with the MIIT Notice or that we can restructure our ownership structure without material disruption to our business. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. The imposition of any of these penalties and the effect of any new PRC laws, rules and regulations applicable to our corporate structure and contractual arrangements could materially disrupt our ability to conduct our business and have a material adverse affect on our financial condition and results of operations.

We may lose the ability to utilize assets held by our consolidated controlled entities that are important to the operation of our business if any of these entities goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

Our wholly-owned subsidiaries, SouFun Media and SouFun Network, are considered foreign-invested enterprises in China and are, therefore, not permitted under the current PRC laws, rules and regulations to hold the ICP licenses and to operate the advertising businesses that are critical to our operations. As a result, our consolidated controlled entities are the holders of the ICP licenses required for operating our website and our advertising business in China. We do not have any direct or indirect shareholding interests in these consolidated controlled entities. They are instead held directly or indirectly by Mr. Mo, our founder and executive chairman, and Richard Jiangong Dai, our president and chief executive officer who will also become a director of our company immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part, or Mr. Dai. Mr. Dai is a nephew of Mr. Mo. Both Mr. Mo and Mr. Dai are PRC citizens. Through the Structure Contracts, we demonstrate management, financial and voting control over these consolidated controlled entities through our rights to all the residual benefits of the consolidated controlled entities and our obligation to fund losses of the consolidated controlled entities and also have a contractual right, to the extent permitted by PRC laws, rules and regulations, to acquire the equity interests in these entities. Consequently, if any of these consolidated controlled entities goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If any of our consolidated controlled entities undergoes a voluntary or involuntary liquidation proceeding, the shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

If our PRC subsidiaries are deemed to have engaged in online advertising or Internet information release businesses without required permits or licenses, they could be subject to penalties imposed by PRC regulatory authorities.

SouFun Media, SouFun Network and their local branches have entered into certain service contracts, including web promotion and technical service contracts and Internet information release service contracts, with some of our customers under which SouFun Media or SouFun

Network, as the case may be, is required to provide certain services, including web promotion and technical services, consulting services and advertising or Internet information release services for such customers. Web promotion and technical services involve marketing services employing traditional Internet promotional tools such as website banners and text links and Internet information release services involve the posting of data and graphics on our website. These services are part of the range of products and services offered to customers as part of our marketing services business. Due to the uncertainties in the regulation of the Internet industry in China, the PRC regulatory authorities have broad discretion in determining compliance with the applicable PRC laws, rules and regulations in the Internet industry in China, and may conclude that SouFun Media and SouFun Network need permits or licenses to perform its obligations under such service contracts. Historically, SouFun Media and SouFun Network's activities relating to these service contracts have been limited to entering into the service contracts, issuing invoices for services rendered and performing technical and consulting services, primarily consisting of design, installation, debugging and maintenance of network and computer systems and database support. All of our online advertising and Internet information release services in China have been and continue to be performed by our consolidated controlled entities, which have the relevant permits or licenses to operate such businesses. Neither SouFun Media nor SouFun Network has the required permits or licenses for conducting online advertising services or Internet information release services in China.

In order to formalize these historical arrangements, SouFun Media and SouFun Network and our consolidated controlled entities entered into intra-group memoranda of understanding in February 2008. The intra-group memoranda of understanding allow our consolidated controlled entities that hold the required permits or licenses for conducting online advertising services or Internet information release services in China to provide these services to customers who have entered into agreements with SouFun Media or SouFun Network. Pursuant to the intra-group memoranda of understanding, neither SouFun Media nor SouFun Network will provide any online advertising services or Internet information release services in China, but both will continue to issue invoices directly to customers pursuant to the service contracts and may directly enter into such service contracts with customers so long as a consolidated controlled entity provides the online advertising or Internet information release services, as the case may be, to our customers. Since the signing of such intra-group memoranda of understanding, SouFun Media and SouFun Network have substantially reduced their direct contracting for the provision of online advertising and Internet information release services in China, but have not completely discontinued entering into such service contracts. See "Our History and Corporate Structure—Structure Contracts." As we have maintained long-term cooperation with our customers under these service contracts and because we believe the intra-group memoranda evidence our practice of having only the consolidated controlled entities with the requisite permits perform online advertising and Internet information release services, we intend to continue our performance under these web promotion and technical service contracts and Internet information release service contracts prior to their expiration or termination on or before December 31, 2010, under the circumstances so as not to disrupt our working relationship with our customers.

Marketing service revenue generated from SouFun Media and SouFun Network in 2009 totalled US$42.9 million, or approximately 33.8%, of our total revenues in 2009. All of these service contracts with online advertising or Internet information release components will be terminated or expire on or prior to December 31, 2010. Since July 1, 2010, SouFun Media and SouFun Network have ceased entering into new, or renewing any existing, service contracts with online advertising or Internet information release components. We will endeavor to have our consolidated controlled entities re-enter into these terminated or expired agreements with our customers and, in the future, will have our consolidated controlled entities enter into all agreements relating to online advertising or Internet information release services with our customers. We cannot assure you that we will be able to successfully transition our

consolidated controlled entities as the contracting parties for these service contracts, nor can we assure you that we will not suffer any loss of revenues or disruption to our working relationship with these customers as a result of this transition.

Pursuant to the Structure Contracts, our consolidated controlled entities are obligated to accept guidance from our wholly-owned subsidiaries, SouFun Media and SouFun Network, with respect to the day-to-day operations as well as the financial and personnel management of such consolidated controlled entities. We currently rely primarily on the good faith of the parties in the performance of the Structure Contracts and the intra-group memoranda of understanding to the extent that the applicable PRC laws, rules and regulations continue to remain vague in their application in this regard.

King & Wood, our PRC legal counsel, is of the opinion that the intra-group memoranda of understanding constitute legal, valid and binding obligations of the contracting parties under applicable PRC laws, rules and regulations, that the execution, delivery, effectiveness, enforceability and performance of the intra-group memoranda of understanding do not violate any published PRC laws, rules and regulations currently in force and effect and that intra-group memoranda of understanding do not contravene any published PRC laws, rules and regulations currently in force and effect. Our PRC legal counsel is also of the opinion that the performance by SouFun Media or SouFun Network, as the case may be, of the web promotion and technical service contracts or Internet information release service contracts in a manner consistent with the intra-group memoranda of understanding does not violate PRC laws, rules or regulations. However, as a result of the broad discretion of the relevant PRC government authorities to determine compliance with applicable PRC laws, rules and regulations in the Internet industry in China, such authorities may take a contrary view and determine that SouFun Media and SouFun Network engaged in online advertising or Internet information release businesses in China in violation of PRC laws, rules and regulations. We cannot assure you that a PRC court will uphold the validity of our intra-group memoranda of understanding or any of the Structure Contracts, as we have further disclosed under "—Risks Relating to Our Corporate Structure." As the enforceability of our intra-group memoranda of understanding relies in part on the Structure Contracts, should the relevant PRC regulatory authorities determine that our Structure Contracts are not in compliance with applicable PRC laws, rules and regulations, we could face difficulty enforcing the intra-group memoranda of understanding with our consolidated controlled entities.

If the PRC regulatory authorities were to challenge the validity of our intra-group memoranda of understanding and our web promotion and technical service contracts or information release contracts, and SouFun Media or SouFun Network are deemed to have engaged in online advertising or Internet information release businesses in China in violation of any existing or future PRC laws, rules or regulations as a result of their entry into these agreements with our customers, the relevant PRC regulatory authorities, including MIIT and SAIC, which regulate the telecommunications and advertising companies, respectively, would have broad discretion in dealing with such violations, including:

- revoking the business and operating licenses of SouFun Media and SouFun Network;
- imposing fines or confiscating income of SouFun Media and SouFun Network; and
- requiring SouFun Media and SouFun Network to cease operations.

As SouFun Media and SouFun Network are integral to our Structure Contracts and our ownership structure, the imposition of any of these penalties could have a material adverse effect on our business, financial condition and results of operations.

Contractual or other arrangements among our affiliates may be subject to scrutiny by PRC tax authorities, and a finding that we or our affiliates owe additional taxes could substantially reduce our profitability and the value of your investment.

As a result of the Structure Contracts, we are entitled to substantially all of the economic benefits of ownership of the consolidated controlled entities and also bear substantially all of the economic risks associated with consolidated controlled entities. If the PRC tax authorities determine that the economic terms, including pricing, of our arrangements with our consolidated controlled entities were not determined on an arm's length basis, we could be subject to significant additional tax liabilities. In particular, the PRC tax authorities may perform a transfer pricing adjustment, which could result in a reduction, for PRC tax purposes, of deductions recorded by our consolidated controlled entities. Such a reduction could increase the tax liabilities of our consolidated controlled entities without reducing the tax liabilities of our PRC subsidiaries. This increased tax liability could further result in late payment fees and other penalties to our consolidated controlled entities for underpaid taxes. Ernst & Young Hua Ming, our registered independent public accounting firm, in their audit of our financial statements included in this prospectus, have also identified our lack of formal documentation on such transfer pricing policy to be a deficiency in our internal control over financial reporting. See "—Risks Relating to Our Business—We have experienced problems with our internal control over financial reporting in the past. If we fail to develop and maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs." Any payments we make under these arrangements or any adjustments in payments under these arrangements that we may make in the future will be subject to the same risk. Any of these events could materially reduce our net income.

Contractual arrangements, including voting proxies, with our consolidated controlled entities for our Internet content distribution and marketing businesses may not be as effective in providing operational control as direct or indirect ownership.

Since the applicable PRC laws, rules and regulations restrict foreign ownership in the Internet content distribution and marketing businesses, we conduct our Internet content distribution and advertising businesses and derive related revenues through the Structure Contracts with our consolidated controlled entities. As we have no direct or indirect ownership interest in our consolidated controlled entities, these Structure Contracts, including the voting proxies granted to us, may not be as effective in providing us with control over these companies as direct or indirect ownership. If we were the controlling shareholders of these companies with direct or indirect ownership, we would be able to exercise our rights as shareholders to effect changes in the board of directors, which in turn could effect change, subject to any applicable fiduciary obligations, at the management level. However, pursuant to the Structure Contracts, if any of our consolidated controlled entities or their shareholders fail to perform their obligations under these contractual arrangements, we may be forced to (i) incur substantial costs and resources to enforce such arrangements, including the voting proxies, and (ii) rely on legal remedies available under PRC law, including exercising our call option right over the equity interests in our consolidated controlled entities, seeking specific performance or injunctive relief, and claiming monetary damages. In addition, pursuant to these Structure Contracts, if Mr. Mo or Mr. Dai were to terminate their employment with us, they would be obligated to transfer their respective share ownership in any of our consolidated controlled entities to us or our designee. If Mr. Mo or Mr. Dai were to refuse to effect such a transfer, or if they were otherwise to act in bad faith toward us, then we may have to take legal action to compel them to fulfill their contractual obligations. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant time delays or other

obstacles in the process of enforcing these contractual arrangements, our business, financial condition and results of operations could be materially and adversely affected.

We are controlled by our significant shareholders and their affiliated entities, whose interests may differ from our other shareholders.

Pursuant to a private placement, or the Telstra Private Placement, as described in the section entitled "Certain Relationships and Related Party Transactions—Telstra Private Placement," Next Decade Investments Limited, or Next Decade, one of our corporate shareholders whose shares are held in an irrevocable discretionary trust established by Mr. Mo, has agreed to purchase 888,888 Class A ordinary shares from Telstra International at the initial public offering price, subject to certain conditions, including the closing of this offering having occurred on or prior to September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated). General Atlantic and Apax have each also agreed to buy 15,347,720 Class A ordinary shares in the Telstra Private Placement at the initial public offering price, subject to certain conditions, including the closing of this offering having occurred on or prior to September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated). In addition, Next Decade has also entered into a call option agreement with General Atlantic and a call option agreement with Apax pursuant to which Next Decade has the option to purchase 987,656 Class A ordinary shares from each of them at any time during the two-year period after the closing of this offering, if the Telstra Private Placement is consummated at the initial offering price of this offering. Immediately following the completion of this offering and without considering the exercise of such options, Media Partner Technology Limited, or Media Partner, also one of our corporate shareholders whose shares are held in an irrevocable discretionary trust established by Mr. Mo, and Next Decade will together hold approximately 29.5% of our outstanding share capital and approximately 71.4% of our voting power under our dual-class ordinary share structure, and will be our largest shareholders. General Atlantic and Apax will each hold approximately 20.2% of our outstanding share capital and approximately 5.1% of our voting power immediately following the completion of this offering. If the closing of this offering has not occurred on or before September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated), the Telstra Private Placement contemplates an alternative pricing for the private sale as disclosed in the section entitled "Certain Relationships and Related Party Transactions — Telstra Private Placement — Share Purchase Agreement." Media Partner and Next Decade together, as our largest shareholders, could exert substantial influence over the outcome of any corporate transaction or other matters submitted to the shareholders for approval, including mergers, consolidations, the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our Company and might reduce the price of our ADSs. These actions may be taken even if they are opposed by our other shareholders, including those who purchase ADSs in this offering.

The continuing cooperation of our significant shareholders following this offering, including Media Partner and Next Decade, is important to our businesses. Without their consent or cooperation, we could be prevented from entering into transactions or conducting business that could be beneficial to us. We cannot assure you, however, that the interests of our significant shareholders would not differ from the interests of our other shareholders, including investors in the ADSs offered by this prospectus.

Risks Relating to China

China's economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition and results of operations.

Our business and operations are primarily conducted in China. Accordingly, our financial condition and results of operations have been, and are expected to continue to be, affected by the economic, political and social developments in relation to the Internet, online marketing and real estate industries in China. A slowdown of economic growth in China could reduce the sale of real estate and related products and services, which in turn could materially and adversely affect our business, financial condition and results of operations.

The PRC economy differs from the economies of most developed countries in many respects, including: a higher level of government involvement; the on-going development of a market-oriented economy; a rapid growth rate; a higher level of control over foreign exchange; and a less efficient allocation of resources.

While the PRC economy has experienced significant growth since the late 1970s, 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. These measures are intended to benefit the overall PRC economy, but may also have a negative effect on us. For example, our business, financial condition and results of operations could be adversely affected by PRC government control over capital investments or changes in tax regulations that are applicable to us.

The PRC economy has been transitioning from a centrally-planned economy to a more market-oriented economy. Although the PRC government has implemented measures since the late 1970s which emphasize the utilization of market forces for economic reform, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

The discontinuation of any of the preferential tax treatments currently available to us in China could materially and adversely affect our financial condition and results of operations

Prior to January 1, 2008, our PRC subsidiaries were governed by the PRC Enterprise Income Tax Law Concerning Foreign-Invested Enterprises and Foreign Enterprises, or the Old EIT Law, and generally subject to enterprise income taxes at a statutory rate of 33.0%, which consists of a 30.0% national income tax and 3.0% local income tax. Under the PRC enterprise income tax law that existed prior to January 1, 2008, or the Old EIT Law, some of our subsidiaries were qualified for preferential tax treatment upon satisfying certain criteria. For example, SouFun Media and SouFun Network each obtained a "new and high technology enterprise certificate," which entitled them to a preferential income tax rate of 15.0% and an exemption from foreign enterprise income tax for three years starting from the calendar years of 2003 and 2006, respectively. These companies are also entitled to a 50.0% tax reduction for the three years beginning from 2006 and 2009, respectively.

In March 2007, the National People's Congress of China enacted the PRC Enterprise Income Tax Law, or the New EIT Law, which became effective on January 1, 2008. Under the New EIT Law, all foreign-invested enterprises and domestic enterprises, including our subsidiaries and consolidated controlled entities, are subject to enterprise income tax at a uniform rate of 25.0% if no preferential tax policy is applicable. The New EIT Law also provided for a

transition period commencing January 1, 2008 for those enterprises which were established before the promulgation of the New EIT Law and were entitled to preferential tax treatment such as a reduced tax rate or a tax holiday. Based on the transitional rule, foreign-invested enterprises located in Shenzhen Special Economic Zone and Shanghai Zhangjiang High Technology Park, such as SouFun Shenzhen and SouFun Shanghai, which previously enjoyed a preferential tax rate of 15.0%, are eligible for a five-year transition period during which the income tax rate will be gradually increased to the unified rate of 25.0%. The applicable rates for SouFun Shenzhen and SouFun Shanghai would be 18.0%, 20.0%, 22.0%, 24.0% and 25.0% in 2008, 2009, 2010, 2011, 2012, respectively, and 25.0% thereafter. As a result of these changes in tax rates, we expect our effective tax rate in 2010 to be higher than that in 2009, which will affect our profitability, net income and earnings per share.

In April 2008, the relevant PRC governmental authorities also released qualification criteria and application and assessment procedures for "high and new technology enterprises strongly supported by the state," which would be entitled to a statutory tax rate of 15.0%. Currently, five of our PRC subsidiaries or consolidated controlled entities are qualified as "high and new technology enterprises strongly supported by the state." We cannot assure you that our PRC subsidiaries or consolidated controlled entities will continue to be entitled to preferential tax rates as qualified "high and new technology enterprises strongly supported by the state" under the New EIT Law. We also cannot assure you that the tax authorities will not, in the future, discontinue any of our preferential tax treatments, potentially with retroactive effect. In the event that preferential tax treatment for any of our subsidiaries or consolidated controlled entities is discontinued, the affected entity will become subject to a 25.0% standard enterprise income tax rate, which would increase our income tax expenses and could materially reduce our net income and profitability.

On April 21, 2010, the State Administration of Taxation, or SAT, issued Circular 157, or Circular 157, which stated that enterprises recognized as "high and new technology enterprises strongly supported by the state" and eligible to enjoy the grandfathering treatments such as a two-year exemption from enterprise income tax followed by a three-year half reduction of enterprise income tax under a 2007 circular No. 39, or Circular 39, may choose the reduced tax rate of 15.0% applicable to "high and new technology enterprises strongly supported by the state" or the tax exemption/reduction based on the tax rates in the grandfathering period as stated in Circular 39. Enterprises are not allowed the 50.0% reduction based on the preferential tax rate for "high and new technology enterprises strongly supported by the state" of 15.0%. Circular 157 applies retroactively from January 1, 2008.

As a consequence of Circular 157, we believe that the applicable income tax rates for SouFun Network, Beijing Technology and Beijing JTX Technology, as "high and new technology enterprises strongly supported by the state," will be 10.0%, 10.0% and 0% for 2009, respectively, and 11.0%, 11.0% and 11.0% for 2010, respectively, instead of 7.5%, 7.5% and 0% for 2009, respectively, and 7.5%, 7.5% and 7.5% for 2010, respectively, that we used in our audited consolidated financial statements included elsewhere in this prospectus. As we believe Circular 157 is similar to a change in tax law, and the cumulative effect should be reflected in the period of the change, an additional tax expense of US$3.8 million was recognized in the six months ended June 30, 2010 to account for the cumulative effect of Circular 157 for the year ended December 31, 2009 and the three months ended March 31, 2010, the applicable tax period prior to the announcement in April 2010. This additional tax expense consists of current income tax expense of US$1.1 million and deferred tax expense of US$2.7 million. We are in the process of discussing with the relevant tax authorities the settlement procedures for the additional tax required under Circular 157 and this additional tax was classified as income tax payable in the balance sheet.

We may be treated as a resident enterprise for PRC tax purposes under the New EIT Law and therefore be subject to PRC taxation on our worldwide income.

We are incorporated under the laws of the Cayman Islands. Under the New EIT Law and its implementation rules, an enterprise incorporated in a foreign country or region may be classified as either a "non-resident enterprise" or a "resident enterprise." If any enterprise incorporated in a foreign country or region has its "de facto management bodies" located within the PRC territory, such enterprise will be considered a PRC tax resident enterprise and thus will normally be subject to enterprise income tax at the rate of 25.0% on its worldwide income. The relevant implementing rules provide that "de facto management bodies" means the bodies which exercise substantial and overall management and control over the manufacturing and business operation, personnel, accounting, properties and other factors of an enterprise. In April 2009, SAT issued a Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, which sets forth certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore-incorporated enterprise is located in China. However, Circular 82 only applies to offshore enterprises controlled by PRC enterprises and not those controlled by PRC individuals or foreigners in China, such as our Company. See "Regulation—Regulation of Foreign Exchange, Taxation and Dividend Distribution—Taxation and Dividend Distribution." Substantially all of the members of our management are currently located in China and we expect them to continue to be located in China. Due to the lack of clear guidance on the criteria pursuant to which the PRC tax authorities will determine our tax residency under the New EIT Law, it remains unclear whether the PRC tax authorities will treat us as a PRC resident enterprise. As a result, King & Wood, our PRC legal counsel, is unable to express an opinion as to the likelihood that we will be subject to the tax applicable to resident enterprises or non-resident enterprises under the New EIT Law. If we are deemed to be a PRC tax resident enterprise, we will be subject to an enterprise income tax rate of 25.0% on our worldwide income. The New EIT Law provides that dividend income between qualified resident enterprises is exempted income, which the implementing rules have clarified to mean a dividend derived by a resident enterprise on equity interest it directly owns in another resident enterprise. It is possible, therefore, that dividends we receive through Bravo Work and Max Impact from SouFun Media, SouFun Network and Beijing Zhong Zhi Shi Zheng, would be exempt income under the New EIT Law and its implementing rules if each of Bravo Work and Max Impact is deemed to be a "resident enterprise." If we are deemed to be a PRC tax resident enterprise, we would then be obliged to withhold PRC withholding income tax on the gross amount of dividends we pay to shareholders who are non-PRC tax residents. The withholding income tax rate is 10.0%, unless otherwise provided under the applicable double tax treaties between China and the governments of other jurisdictions. If the PRC tax authority determines that we and some of other subsidiaries, such as Bravo Work and Max Impact are PRC resident enterprises, we and such subsidiaries may be subject to enterprise income tax at the rate of 25.0% as to our global income, which could have an impact on our effective tax rate and an adverse effect on our net income and results of operations.

We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity.

As a holding company, we rely primarily on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements, which include funds necessary to pay dividends and other cash distributions to our shareholders, service any debt we may incur and to pay our operating expenses. If our subsidiaries incur debt in the future,

the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Our subsidiaries are entities incorporated and established in China and therefore, are subject to certain limitations with respect to dividend payments. PRC regulations currently allow payment of dividends only out of accumulated profits determined in accordance with accounting standards and regulations in China. Each year, Beijing Information, which is a joint venture and one of our subsidiaries, is required to set aside a percentage, as decided by its board of directors, of its after-tax profits based on PRC accounting standards, to its reserve fund, enterprise development fund and employee incentive and welfare fund. Each of our other subsidiaries in China and our consolidated controlled entities are also required to allocate a portion of their after-tax profits to their respective reserve funds, until the reserve reaches 50.0% of the company's registered capital. Allocations to these reserves and funds can only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. Such restrictions on the ability of our subsidiaries and consolidated controlled entities to transfer funds to us could adversely limit our ability to grow, pay dividends, make investments or acquisitions that could benefit our businesses or otherwise fund and conduct our businesses.

Under the relevant PRC tax law applicable to us prior to January 1, 2008, dividend payments to foreign investors made by foreign-invested enterprises were exempted from PRC withholding tax. However, under the New EIT Law and its implementing rules, non-resident enterprises without an establishment in China, or whose income has no connection with their institutions and establishment inside China, are subject to withholding tax at the rate of 10.0% with respect to their PRC-sourced dividend income, subject to applicable tax agreements or treaties between the PRC and other tax jurisdictions. Similarly, any gains realized on the transfer of shares by such investors are also subject to a 10.0% PRC income tax if such gains are regarded as income from sources within China.

According to the Mainland and Hong Kong Special Administrative Region Arrangement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, or the Tax Agreement, dividends paid by a foreign-invested enterprise in mainland China to its corporate shareholder in Hong Kong will be subject to withholding tax at a maximum rate of 5.0%, provided however that such Hong Kong company directly owns at least 25.0% of the equity interest in the mainland foreign-invested enterprise. However, under the New EIT Law and its implementation rules, as well as Circular No. 601 issued by SAT in October 2009, or Circular 601, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to withholding tax at a rate of 10.0% if our Hong Kong subsidiaries cannot be considered as a "beneficial owner."

Bravo Work, a company we incorporated in Hong Kong in October 2007, currently holds all the equity interest in SouFun Media and SouFun Network. Max Impact, a company we incorporated in Hong Kong in October 2007, currently holds all the equity interest in Beijing Zhong Zhi Shi Zheng. Neither we nor our PRC legal counsel is certain as to whether it is more likely than not that PRC tax authorities would require or permit Bravo Work and Max Impact, our Hong Kong subsidiaries, to be treated as PRC resident enterprises. To the extent that Bravo Work and Max Impact are each considered a "non-resident enterprise" under the Tax Agreement, dividends paid by SouFun Media, SouFun Network and Beijing Zhong Zhi Shi Zheng, to Bravo Work and Max Impact, respectively, may be subject to a maximum withholding tax rate of 10.0%. See "Regulation—Regulation of Foreign Exchange, Taxation and Dividend Distribution—Taxation and Dividend Distribution."

The discontinuation of the previously available exemption from withholding tax as a result of the New EIT Law and its implementing rules have and will increase our income tax expenses and reduce our net income, and may materially reduce our profitability.

SouFun Media, SouFun Network, Beijing Zhong Zhi Shi Zheng and the relevant consolidated controlled entities may be subject to fines and legal or administrative sanctions in connection with dividend distributions we made between December 2007 and June 2009.

On December 12, 2007, our board of directors adopted resolutions to declare dividends in the aggregate of RMB350.0 million to our shareholders. Our shareholders subsequently agreed that the amount of the dividends be reduced to RMB300.0 million. In addition, on February 20, 2009, our board of directors adopted additional resolutions to declare additional dividends in the aggregate of RMB300.0 million to our shareholders. Following these resolutions, between December 2007 and June 2009, we directed our wholly-owned subsidiaries, SouFun Media and SouFun Network, and the entities authorized by SouFun Media or SouFun Network, as the case may be, including Beijing Zhong Zhi Shi Zheng and consolidated controlled entities such as Beijing Internet, Beijing Technology, Beijing China Index, Beijing Advertising and Beijing JTX Technology, to pay an aggregate of RMB300.2 million in dividends payable by us to accounts in China designated by our then existing shareholders for the receipt of such dividend payments. The RMB 300.2 million dividend payments were recorded on SouFun Media's and SouFun Network's accounts as other receivables due from us and are deemed as non-interest bearing loans from SouFun Media or SouFun Network to us, which are treated in China as loans to an overseas borrower. The dividend payments paid through Beijing Zhong Zhi Shi Zheng or consolidated controlled entities were recorded on SouFun Media's and SouFun Network's accounts as other payables to Beijing Zhong Zhi Shi Zheng and such consolidated controlled entities, which are treated in China as loans to domestic borrowers.

Pursuant to the General Lending Code implemented in August 1996 by the People's Bank of China, or PBOC, the central bank of China, commercial lending in China must be made by or through a "PRC-qualified financial institution" as defined under the General Lending Code. As none of the payors is or was at the relevant time a "PRC-qualified financial institution" as defined under the General Lending Code, PBOC may impose a fine for non-compliance on each of the payors in an amount equal to one to five times the value of any income received from its non-compliance, and the payors may be required to terminate such loans. If PBOC instructs these entities to terminate such overseas loans and domestic loans, we have to fully repay the overseas loans from SouFun Media and SouFun Network, and SouFun Media and SouFun Network have to fully repay the domestic loans to Beijing Zhong Zhi Shi Zheng and such consolidated controlled entities.

Moreover, pursuant to the PRC Foreign Currency Administration Regulations promulgated by the State Council in January 1996, as amended, a PRC entity is required to apply for PRC State Administration of Foreign Exchange, or SAFE, approval prior to extending commercial loans to offshore entities such as our Company. As there is no specific definition of "commercial loans" under the Foreign Currency Administration Regulations and PRC governmental authorities have not issued any implementation rules with respect to the provision of commercial loans to offshore entities. Accordingly, it is not clear whether such provision will be applied to the non-interest bearing loans described above. According to the Foreign Currency Administration Regulations, an entity may be required to correct the violation and be subject to a warning and/or a fine of up to RMB300,000 for the violation of the foreign registration administrative regulations. If SAFE determines that the PRC Foreign Currency Administration Regulations do apply to us, it may require SouFun Media and SouFun Network to register the overseas loans to us and require us to rectify any prior non-compliance by properly obtaining SAFE approval. SAFE may also impose a warning and/or fine of up to RMB300,000 based on the PRC Foreign Currency Administration Regulations. We cannot assure you that SouFun Media and SouFun Network will be able to complete the necessary registration and filing procedures required by the PRC Foreign Currency Administration Regulations. In addition, it is not clear whether SAFE may consider the making of payments in Renminbi which should have

been made in foreign currency to be foreign currency arbitrage, which may be deemed a violation and may subject a violator to warnings, penalties or other sanctions. Due to a general uncertainty over the interpretation and implementation of the PRC Foreign Currency Administration Regulations as well as the broad enforcement discretion granted to SAFE, we cannot ensure that we, SouFun Media or SouFun Network will not be subject to such warnings, penalties or other administrative penalties resulting from the overseas loans.

According to the New EIT Law, loan arrangements between related parties without interest are not considered arms-length transactions. Therefore, the PRC taxation authorities could impose enterprise income and business taxes on SouFun Media, SouFun Network, Beijing Zhong Zhi Shi Zheng and the relevant consolidated controlled entities for the deemed interest income with regard to the arrangements for the overseas and domestic loans. The deemed interest rate would be determined by reference to the lending rate over the relevant period published by PBOC. We intend to fully repay such loans to SouFun Media and SouFun Network before June 30, 2011, but we cannot assure you that we will not be subject to fines, or legal or administrative sanctions as a result of non-compliance with the General Lending Code and the Foreign Currency Administration Regulations. Further, we cannot assure you that the PRC taxation authorities will not impose enterprise income and business taxes on SouFun Media, SouFun Network, Beijing Zhong Zhi Shi Zheng and the relevant variable interest entities for any deemed interest income with respect to these loans.

King & Wood, our PRC legal counsel, has advised us that SouFun Media, SouFun Network, Beijing Zhong Zhi Shi Zheng and our consolidated controlled entities may be subject to fines and legal or administrative sanctions in connection with any dividend distributions they make. However, because the applicable PRC laws, rules and regulations do not provide clear definitions for several key terms and because the relevant PRC regulatory authorities have significant discretion on the interpretation of such matters, neither we nor King & Wood are able to predict the likelihood that the risks described here will be realized.

The PRC legal system embodies uncertainties, which could limit the legal protections available to you and us.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past 30 years has significantly enhanced the protections afforded to various forms of foreign investment in China. Our PRC operating subsidiaries include one Sino-foreign equity joint venture and several wholly-foreign-owned enterprises, including SouFun Media and SouFun Network, which are each wholly-owned by Bravo Work, a company incorporated in Hong Kong. These PRC subsidiaries are subject to laws and regulations applicable to foreign-invested enterprises in China. In particular, they are subject to PRC laws, rules and regulations governing foreign companies' ownership and operation of Internet content distribution and advertising businesses as well as of the real estate sector. Such laws and regulations are subject to change, and their interpretation and enforcement involve uncertainties, which could limit the legal protections available to us and our investors. In addition, we cannot predict the effect of future developments in the PRC legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement of such laws, or the preemption of local regulations by PRC laws, rules and regulations.

Moreover, China has a civil law system based on written statutes, which, unlike common law systems, is a system in which decided judicial cases have little precedential value. Furthermore, interpretation of statutes and regulations may be subject to government policies reflecting domestic political changes. The relative inexperience of China's judiciary in many cases creates additional uncertainty as to the outcome of litigation. In addition, enforcement of existing laws or contracts based on existing laws may be uncertain and sporadic, and it may

be difficult to obtain swift and equitable enforcement within China. All such uncertainties could materially and adversely affect our business, financial condition and results of operations.

Government control of currency conversion may limit our ability to utilize our revenues effectively.

Substantially all of our revenues and operating expenses are denominated in Renminbi. Under applicable PRC law, the Renminbi is freely convertible to foreign currencies with respect to "current account" transactions, but not with respect to "capital account" transactions. Current account transactions include ordinary course import or export transactions, payments for services rendered and payments of license fees, royalties, interest on loans and dividends. Capital account transactions include cross-border investments and repayments of the principal of loans.

Our PRC subsidiaries currently may purchase foreign currencies for settlement of current account transactions, including payment of dividends to us. As of June 30, 2010, we had dividends totaling RMB299.8 million (US$44.1 million), which remain outstanding. If we endeavor to fund the payment of these outstanding dividends to our shareholders through license fees from our operating income or from the distribution of dividends from our PRC subsidiaries, our PRC subsidiaries may also need to purchase foreign currencies for settlement of current account transactions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." Our PRC subsidiaries may also retain foreign exchange in their current accounts, subject to a ceiling approved by SAFE, to satisfy foreign exchange liabilities or to pay dividends. However, we cannot assure you that the relevant PRC governmental authorities will not limit or eliminate the ability of our PRC subsidiaries to purchase and retain foreign currencies in the future.

Foreign exchange transactions under the capital account are still subject to limitations and require approvals from or registration with SAFE. This could affect our PRC subsidiaries' ability to obtain debt or equity financing from outside China, including by means of loans or capital contributions from us.

Since substantially all of our future revenues will be denominated in Renminbi, including fees and payments from our PRC consolidated controlled entities pursuant to the Structure Contracts, existing and future restrictions on currency exchange may limit our ability to utilize revenues generated in Renminbi to fund expenditures denominated in foreign currencies, including any dividends that our PRC subsidiaries may pay to us in the future.

If SAFE determines that its foreign exchange regulations apply to us and our shareholding structure, a failure by our shareholders who are PRC citizens or residents to comply with these regulations may restrict our ability to distribute profits, restrict our overseas and cross-border investment activities or subject us to liability under PRC laws, which may materially and adversely affect our business and prospects.

In October 2005, SAFE issued the Notice on Issues Relating to the Administration of Foreign Exchange in Fundraising and Return Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, which became effective as of November 1, 2005, which was supplemented by an implementing notice issued on November 24, 2005. We refer to them collectively as Notice 75. Under Notice 75, PRC residents and citizens must register with the relevant local SAFE branch prior to their establishment or control of an offshore entity established for the purpose of an overseas equity financing involving onshore assets or equity interests held by them, and must also make filings with SAFE thereafter upon the occurrence of certain material capital changes. The registration and filing procedures under Notice 75 are prerequisites for other approval and registration procedures necessary for capital

inflow from the offshore entity, such as inbound investments or shareholders' loans, or capital outflow to the offshore entity, such as the payment of profits or dividends, liquidating distributions, equity sale proceeds or the return of funds upon a capital reduction.

For example, the shares of Media Partner and Next Decade, two of our direct shareholders, are held in irrevocable discretionary family trusts established by Mr. Mo. Mr. Mo completed the transfer of his equity ownership to these irrevocable discretionary family trusts, of which Mr. Mo has represented that none of the trustees and beneficial owners is a PRC resident. We have been unable to obtain confirmation from SAFE as to whether Notice 75, in fact, applies to us or our shareholders due to the fact that, in the case of Mr. Mo, before the establishment of the family trusts, Mr. Mo was our indirect shareholder. Due to the uncertainty over how Notice 75 will be interpreted and implemented, we cannot predict how it will affect our business operations or future strategies. In addition, if SAFE determines that Notice 75 does apply to us, our present and prospective PRC subsidiaries' ability to conduct foreign exchange activities, such as any remittance of dividends or foreign currency-denominated borrowings, may be subject to compliance with Notice 75 requirements of our PRC resident shareholders. We cannot assure you that our PRC resident shareholders will be able to complete the necessary registration and filing procedures required by Notice 75. If Notice 75 is determined to apply to us or any of our PRC resident shareholders, a failure by any of our shareholders or beneficiary owners to comply with Notice 75 may subject the relevant shareholders or beneficiaries to penalties under PRC foreign exchange administrative regulations, and may subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions or pay dividends or affect our ownership structure, which would have a material adverse effect on our business, financial condition, results of operations and liquidity as well as our ability to pay dividends or make other distributions to our shareholders.

We may be subject to fines and legal or administrative sanctions if we or our PRC citizen employees fail to comply with PRC regulations with respect to the registration of such employees' share options and restricted share units.

Pursuant to the Implementation Rules of the Administration Measure for Individual Foreign Exchange, issued in January 2007 by SAFE and the relevant guidance issued by SAFE in March 2007, PRC domestic individuals who have been granted shares or share options by an overseas listed company according to its employee share option or share incentive plan are required, through the PRC subsidiary of such overseas-listed company or other qualified PRC agents, to register with SAFE and complete certain other procedures related to the share option or other share incentive plan. Accordingly, our employees who are PRC nationals resident in China that have been granted share options will be subject to these rules upon the listing of our ADSs on the New York Stock Exchange and their foreign exchange income from the sale of shares or dividends distributed by us as an overseas-listed company must be remitted into China. In addition, we, our PRC subsidiaries or other qualified PRC agent are required to appoint an asset manager or administrator and a custodian bank, as well as to open a foreign currency account to handle transactions relating to the share option or other share incentive plan. If we or our PRC option holders fail to comply with these rules, we may be subject to fines up to RMB300,000 and other legal or administrative sanctions. See "Regulation—Regulations Relating to Employee Share Options."

We may be required to obtain prior approval from the China Securities Regulatory Commission for the listing and trading of our ADSs on the New York Stock Exchange.

In August 2006, six PRC regulatory authorities—the Ministry of Commerce of China, or MOFCOM, the State Assets Supervision and Administration Commission, SAIC, the China

Securities Regulatory Commission, or CSRC, SAFE and SAT—jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, as amended, or the New M&A Rules. The New M&A Rules, among other things, purport to require that an offshore special purpose vehicle formed for purposes of overseas listing of equity interests in PRC companies and controlled directly or indirectly by PRC companies or individuals obtain the approval of CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In September 2006, CSRC published further procedures regarding the approval of overseas listings by special purpose vehicles, but the PRC government authorities have not announced the specific requirements tailored to achieve the statutory objective. Approval, if at all, from CSRC may take several months. The application of this new regulation remains unclear.

Our PRC legal counsel, King & Wood, is of the opinion that prior CSRC approval is not required for this offering because (i) we substantially completed our restructuring before the effective date of the New M&A Rules; (ii) our PRC subsidiaries were incorporated by a foreign-owned enterprise, and there was no acquisition of the equity or assets of a "PRC domestic company" as such term is defined under the New M&A Rules; and (iii) there is no provision in the New M&A Rules that clearly classifies the contractual arrangements between our PRC subsidiaries, the consolidated controlled entities and the consolidated controlled entities' respective shareholders, as a kind of transaction falling under the New M&A Rules. As a result, we did not seek prior CSRC approval for this offering. However, we cannot assure you that the relevant PRC government authorities, including CSRC, will reach the same conclusion as our PRC legal counsel, King & Wood. If CSRC or other relevant PRC government authorities subsequently determine that prior CSRC approval is required, we may face regulatory actions or other sanctions from CSRC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on our operations in China, limit our operating privileges in China or take other actions that could have a material adverse effect on our business, as well as the trading price of our ADSs. CSRC or other PRC regulatory authorities may also take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the ADSs offered by this prospectus. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur.

Fluctuations in the exchange rates of the Renminbi could materially and adversely affect the value of our shares or ADSs and result in foreign currency exchange losses.

Substantially all of our revenues, cash and cash equivalent assets, costs and expenses, are denominated in Renminbi, while a portion of our expenditures are denominated in foreign currencies, primarily the U.S. dollar. 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 as substantially all of our revenues and expenses are denominated in Renminbi and the functional currency of our principal operating subsidiaries and consolidated controlled entities is the Renminbi, although we use the U.S. dollar as our functional and reporting currency and the ADSs will be traded in U.S. dollars. As a result, fluctuations in exchange rates, particularly those involving the U.S. dollar, may affect our costs and operating margins. Where our operations conducted in Renminbi are reported in U.S. dollars, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar and other foreign currencies without giving effect to any underlying change in our business or results of operations.

The exchange rates between the Renminbi and the U.S. dollar and other foreign currencies are affected by, among other things, changes in China's political and economic conditions. In July 2005, the PRC government discontinued pegging the Renminbi to the U.S. dollar.

However, PBOC regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate. Nevertheless, under China's current exchange rate regime, the Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future the PRC authorities may lift restrictions on fluctuations in the Renminbi exchange rate and lessen intervention in the foreign exchange market. Fluctuations in the exchange rate will also affect the relative value of any dividend we declare and distribute after this offering that will be exchanged into U.S. dollars and earnings from and the value of any U.S. dollar-denominated investments we make in the future. To the extent that we need to convert future financing proceeds into Renminbi for our operations, any appreciation of the Renminbi against the relevant foreign currencies would materially reduce the Renminbi amounts we would receive from the conversion. On the other hand, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments of dividends on our shares or for other business purposes when the U.S. dollar appreciates against the Renminbi, the amounts of U.S. dollars we would receive from such conversion would be reduced. In addition, any depreciation of our U.S. dollar-denominated monetary assets could result in a charge to our income statement and a reduction in the value of our assets.

In addition, very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions 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 hedging transactions may be limited and we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China based on United States or other foreign laws against us, our management or some of the experts named in the prospectus.

We are a company incorporated under the laws of the Cayman Islands. We conduct our operations in China and substantially all of our assets are located in China. In addition, certain of our directors and executive officers, and some of the experts named in this prospectus, reside within China, and most of the assets of these persons are located within China. As a result, it may not be possible to effect service of process within the United States or elsewhere outside China upon these directors, executive officers and experts, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Moreover, our PRC legal counsel, King & Wood, has advised us that China does not have treaties with the United States or most other countries providing for the reciprocal recognition and enforcement of judicial judgments. As a result, recognition and enforcement in China of judgments of a court in the United States or any other jurisdiction in relation to any matter not subject to a binding arbitration provision may be difficult. Furthermore, an original action may be brought in China against our directors, executive officers or experts named in this prospectus only if the actions are not required to be arbitrated by PRC law and upon satisfaction of the conditions for institution of a cause of action pursuant to the PRC Civil Procedure Law. For example, pursuant to the PRC Civil Procedure Law, the facts alleged in the complaint must give rise to a cause of action under PRC law and the action must fall within the jurisdiction of the PRC courts. As a result of the conditions set forth in the PRC Civil Procedure Law and the discretion of the PRC court to determine whether the conditions are satisfied and whether to accept the action for adjudication, there remains some uncertainty as to whether an investor will be able to bring an original action in a PRC court based on U.S. federal securities laws. See "Enforceability of Civil Liabilities."

We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases, including avian flu, SARS and H1N1 flu.

Our business could be adversely affected by natural disasters, avian flu, SARS, H1N1 flu, also known as swine flu, or other epidemics or outbreaks of contagious diseases. In May 2008, China experienced an earthquake with a reported magnitude of 8.0 on the Richter scale in Sichuan Province, resulting in the death of tens of thousands of people. There have been recent reports of outbreaks of a highly pathogenic avian flu caused by the H5N1 virus, in certain regions of Asia and Europe. In 2005 and 2006, there were reports on the occurrences of avian flu in various parts of China, including a few confirmed human cases. Since April 2009, there have been reports on the occurrences of H1N1 flu in Mexico, the United States, China and certain other countries and regions around the world. An outbreak of avian flu or H1N1 flu in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, particularly in Asia. In addition, any recurrence of SARS, a highly contagious form of atypical pneumonia, similar to the occurrence in 2003 that affected China, Hong Kong and certain other countries and regions, would also have similar adverse effects. These natural disasters, outbreaks of contagious diseases and other adverse public health developments in China could severely disrupt our business operations or the real estate and home furnishing and improvement markets in China and adversely affect our financial condition and results of operations. We have not adopted any written preventive measures or contingency plans to combat any future natural disasters or outbreaks of avian flu, H1N1 flu, SARS or any other epidemic.

Risks Relating to Our ADSs and this Offering

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

Prior to this offering, there has been no public market for our ADSs or the ordinary shares underlying the ADSs. If an active public market for our ADSs does not develop after this offering, the market price of our ADSs may decline and the liquidity of our ADSs may decrease significantly. Although we have applied to have our ADSs listed on the New York Stock Exchange, we cannot assure you that a liquid public market for our ADSs will develop.

The initial public offering price for our ADSs will be determined by negotiation between us, the selling shareholders and the underwriters based upon several factors, and we cannot assure you that the price at which the ADSs are traded after this offering will not decline below the initial public offering price.

In addition, the New York Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of technology companies, particularly Internet-related companies. As a result, investors in our securities may experience a decrease in the value of their ADSs regardless of our operating performance or prospects. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class actions against that company. If we are involved in a class-action lawsuit, it could divert the attention of our senior management and, if adversely determined, could have a material adverse effect on our business, financial condition and results of operations.

The market price movement of our ADSs may be volatile.

The market price of our ADSs may be volatile and subject to wide fluctuations. Among the factors that could affect the price of our ADSs are risk factors described in this section and other factors, including:

- announcements of competitive developments;
- regulatory developments in our target markets which affect us, our users, our customers or our competitors;
- actual or anticipated fluctuations in our quarterly results of operations;
- failure of our quarterly financial and results of operations to meet market expectations or failure to meet our previously announced guidance;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other Internet or online real estate and home furnishing and improvement services companies;
- additions or departures of our executive officers and other key personnel;
- announcements regarding intellectual property litigation (or potential litigation) involving us or any of our directors and officers;
- fluctuations in the exchange rates between the U.S. dollar and the Renminbi;
- release or expiration of the underwriters' post-offering lock-up or other transfer restrictions on our outstanding ordinary shares and ADSs; and/or
- sales or perceived sales of additional ordinary shares or ADSs.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular industries or companies. For example, the capital and credit markets have experienced significant volatility and disruption in recent years. In September 2008, such volatility and disruption reached extreme levels and developed into a global crisis. As a result, stock prices of a broad range of companies worldwide, whether or not they were related to financial services, declined significantly. Future market fluctuations may also have a material adverse effect on the market price of our ADSs.

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

Sales of substantial amounts of our ADSs or ordinary shares 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 future ability to raise capital through offerings of our ADSs. Upon completion of this offering, we will have 74,305,811 ordinary shares outstanding, including 11,732,952 Class A ordinary shares represented by 2,933,238 ADSs, assuming the underwriters do not exercise the over-allotment option. In addition, as of June 30, 2010, there are outstanding options to purchase 9,564,050 of our ordinary shares, including options to purchase 6,696,776 ordinary shares that are exercisable within 60 days after the date of this prospectus. All of the ADSs sold in this offering will be freely tradable without any restriction or further registration under the U.S. Securities Act of 1933, as amended, or the Securities Act, unless held by our "affiliates" as that term is defined in Rule 144 under the Securities Act. All of our shares outstanding prior to this offering are "restricted securities" as defined in Rule 144 and, in the absence of registration, may not be sold other than in accordance with Rule 144 under the Securities Act or another exemption from registration. In connection with this offering, we, the selling shareholders, all of our other

existing shareholders, General Atlantic, Apax, our directors and executive officers and a substantial majority of our option holders have agreed not to sell any ordinary shares or ADSs for 180 days after the date of this prospectus, subject to certain exceptions, without the prior written consent of the underwriters. Any or all of these ordinary shares may be released prior to the expiration of the lock-up period at the discretion of the underwriters of this offering. To the extent any of such ordinary shares are released before the expiration of the lock-up period and such shares are sold into the market, the market price of our ADSs may decline. See "Shares Eligible for Future Sale" for a more detailed description of the restrictions on sales of our securities after this offering. Certain of our shareholders or their transferees and assignees will have the right to cause us to register the sale of their shares under the Securities Act upon the occurrence of certain circumstances. See "Principal and Selling Shareholders—Shareholders' Agreement" and "Certain Relationships and Related Party Transactions." Registration of these ordinary shares under the Securities Act would result in such shares becoming freely tradable without any restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered ordinary shares in the public market could cause the price of our ADSs to decline.

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

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately US$38.78 per ADS (assuming no exercise of outstanding options to acquire ordinary shares), representing the difference between our pro forma net tangible book value per ADS of US$2.72 as of June 30, 2010, after giving effect to this offering, and the assumed initial public offering price per share of US$41.50 per ADS (the mid-point of the estimated offering price range set forth on the front cover page of this prospectus). In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options. Substantially all of the ordinary shares issuable upon the exercise of currently outstanding share options will be issued at a purchase price on a per ADS basis that is less than the initial public offering price per ADS in this offering. 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.

We may need additional capital, and the sale of additional ADSs or other equity securities could result in additional dilution to our shareholders, while the incurrence of debt may impose restrictions on our operations.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs for the foreseeable future. We may, however, require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to sell equity or debt securities or obtain a credit facility. The sale of equity securities would result in dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

As a foreign private issuer, we are permitted to, and we will, rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our ordinary shares and ADSs.

Section 303A of the NYSE Listing Rules requires listed companies to have, among other things, a majority of its board members to be independent, and to have independent director oversight of executive compensation and nomination of directors. As a foreign private issuer, however, we are permitted to, and we will, follow home country practice in lieu of the above requirements. The corporate governance practice in our home country, the Cayman Islands, does not require a majority of our board to consist of independent directors or the implementation of a nominating and corporate governance committee. Since a majority of our board of directors will not consist of independent directors as long as we rely on the foreign private issuer exemption, fewer board members will be exercising independent judgment and the level of board oversight on the management of our Company may decrease as a result.

As a foreign private issuer, we are exempt from certain disclosure requirements under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, which may afford less protection to our shareholders than they would enjoy if we were a U.S. company.

As a foreign private issuer, we are exempt from, among other things, the rules prescribing the furnishing and content of proxy statements under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. In addition, our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit and recovery provisions contained in Section 16 of the Exchange Act. We are also not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. As a result, our shareholders may be afforded less protection than they would under the Exchange Act rules applicable to U.S. companies.

We may become a passive foreign investment company, or PFIC, which could result in adverse U.S. tax consequences to U.S. investors.

Depending upon the value of our shares and ADSs and the nature of our income (including the income of our subsidiaries) over time, we could be classified as a passive foreign investment company, or PFIC, by the United States Internal Revenue Service, or the IRS, for U.S. federal income tax purposes. The determination of whether or not we are a PFIC will be made on an annual basis. The first annual PFIC determination that will be relevant to our U.S. investors will be for the 2010 taxable year. We operate an active real estate and home furnishing and improvement Internet portal in China and do not expect to be a PFIC for the 2010 taxable year or future taxable years. However, Sidley Austin LLP, our special U.S. tax counsel, expresses no opinion with respect to whether or not we will be a PFIC in 2010 or future taxable years. A determination that we are a PFIC could result in adverse U.S. tax consequences to you if you are a U.S. investor, in the form of increased tax liabilities and burdensome reporting requirements. For example, if we were a PFIC in 2010, you would generally be taxed at the higher ordinary income rates, rather than the lower capital gain rates, if you dispose of ADSs at a gain in a later year, even if we are not a PFIC in that year. In addition, a portion of the tax imposed on your gain would be increased by an interest charge. Also, if we were classified as a PFIC in any taxable year, you would not be able to benefit from any preferential tax rate with respect to any dividend distribution that you may receive from us in that year or in the following year.

The most consequential factor affecting the outcome of annual PFIC determinations in 2010 and future taxable years will be our market capitalization. For example, we would be a PFIC for the 2010 taxable year if the sum of our average market capitalization and our liabilities

over the taxable year is not more than twice the value of our cash, cash equivalents, and other assets that are readily convertible into cash. Accumulating cash, cash equivalents and other assets that are readily convertible into cash increases the risk that we will be classified as a PFIC for U.S. federal income tax purposes.

Since our business and assets may evolve over time in ways that are different from what we currently anticipate, we cannot assure you that we will not be a PFIC for 2010 or any future taxable year. For more information on the tax consequences to you if we were treated as a PFIC, see "Taxation—United States Federal Income Taxation —U.S. Holders—Status as a PFIC."

Since shareholder rights under Cayman Islands law differ from those under U.S. law, you may have difficulty protecting your shareholder rights.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Companies Law of the Cayman Islands, or the Cayman Companies Law, and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us and to our shareholders 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 English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands.

The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they are 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 as compared to the United States, and some states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law. In addition, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

As a result, public shareholders of Cayman Islands companies may have more difficulty in protecting their interests in connection with actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a U.S. company.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement.

A holder of our ADSs may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Upon receipt of voting instructions of a holder of ADSs in the manner set forth in the deposit agreement, the depositary will endeavor to vote the underlying ordinary shares in accordance with these instructions. Under our amended and restated articles of association and Cayman Islands law, the minimum notice period required for convening a general meeting is 10 days. When a general meeting is convened, you may not receive sufficient notice to permit you to withdraw your ordinary shares and allow you to cast your vote as a direct shareholder with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise

your right to vote and you may lack recourse if the ordinary shares underlying your ADSs are not voted as you requested.

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. We cannot offer or sell securities in the United States unless we register those securities under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available. Under the deposit agreement, the depositary 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 Securities Act. The depositary may, but is not required to, attempt to sell such undistributed rights to third parties in this situation. We can give no assurances that we will be able 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 any rights offerings and may experience dilution of their holdings as a result.

If the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights.

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

The depositary for our ADSs has agreed to pay to you the cash dividends or other distributions it or its custodian receives on ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not required to make such distributions if it decides that it is unlawful or impractical to make a distribution available to any holder of ADSs. For example, it would be unlawful to make a distribution to holders of ADSs if it consisted of securities that required registration under the Securities Act, but were not properly registered or distributed pursuant to an applicable exemption from registration. It could also be impracticable to make a distribution if doing so would entail fees and expenses that would exceed the value of the distribution or the distribution consisted of property that could not be transported or transferred. We have not undertaken any obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities that may be distributed to our shareholders. We also have not undertaken any 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 any distribution we make on our ordinary shares or any value for it if it is illegal or impractical for us to make such distribution available to you, such as if an exemption from registration under the U.S. securities laws is not available. These restrictions may decrease the value of your ADSs.

We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax.

Pursuant to the New EIT Law, we, Bravo Work or Max Impact may be treated as a PRC resident enterprise for PRC tax purposes. See "—Risks Relating to China—We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity." If we, Bravo Work or Max Impact are

so treated by the PRC tax authorities, we would be obligated to withhold a 10.0% PRC withholding tax or, a withholding tax at a reduced rate as provided under the applicable double tax treaty between China and the governments of other jurisdictions subject to completion of the record-filing procedures and approval from the relevant tax authorities, pursuant to a Circular No. 124 issued by SAT in August 2009, or Circular 124.

In addition, any gain realized by any investors who are non-resident enterprises of China from the transfer of our ordinary shares and/or ADSs could be regarded as being derived from sources within China and be subject to a 10.0% PRC withholding tax. Such PRC withholding tax would reduce your investment return on our ordinary shares and/or ADSs and may also materially and adversely affect the price of our ordinary shares and/or ADSs.

Our dual-class ordinary share structure with different voting rights could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our shareholders have amended and restated our memorandum and articles of association, to become effective immediately upon the closing of this offering, to provide for a dual-class ordinary share structure. Our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to 10 votes per share. The selling shareholders are selling Class A ordinary shares represented by our ADSs in this offering. Most of our existing shareholders, including our founders, directors, and officers, will hold Class B ordinary shares. We intend to maintain the dual-class ordinary share structure after the closing of this offering. Each Class B ordinary share will be convertible into one Class A ordinary share at any time by its holder. Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a Class B ordinary shareholder to any person or entity which is not an affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into the equal number of Class A ordinary shares. Until the closing date of this offering, we may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants. Upon the closing of this offering, all issued and outstanding non-voting ordinary shares, if any, will automatically be converted into Class A ordinary shares on a 1:1 basis, and all stock options exercisable into non-voting ordinary shares will likewise automatically become exercisable into Class A ordinary shares.

Due to the disparate voting powers attached to these classes of shares, our existing shareholders will have significant voting power over matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of our Company or our assets. This concentrated control could discourage others from pursuing any potential merger, takeover or other change-of-control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

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

We have adopted an amended and restated articles of association that will become effective immediately upon the closing of this offering. We have included certain provisions in our new articles of association that would limit the ability of others to acquire control of our Company. These provisions could deprive our shareholders of the opportunity to sell their ordinary shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our Company in a tender offer or similar transactions.

The following provisions in our new articles of association may have the effect of delaying or preventing a change of control of our Company:

- Our new articles of association provide for a dual-class ordinary share structure; and
- Our new articles of association permit our board of directors, without further action by our shareholders, to issue preferred shares with special voting rights compared to our ordinary shares.

FORWARD-LOOKING STATEMENTS

This prospectus, including in particular “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All statements other than statements of historical fact in this prospectus constitute forward-looking statements. We have used words or phrases such as “may,” “would,” “will,” “expect,” “anticipate,” “intend,” “seek,” “estimate,” “plan,” “believe,” “is/are likely to” or other similar expressions in this prospectus to identify some of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, product development, revenues, profits, costs, capital expenditures, cash flows and working capital, are necessarily estimates reflecting the best judgment of directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this prospectus.

Actual results may differ materially from information contained in the forward-looking statements as a result of a number of uncertainties and factors, including but not limited to:

- any change in the laws, rules and regulations of the central and local governments in China and the rules, regulations and policies of MIIT, and other relevant government authorities relating to all aspects of our business;
- general economic, market and business conditions in China;
- macroeconomic policies of the PRC government;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices;
- the effects of competition in the Internet industry on the demand for and price of our services;
- various business opportunities that we may pursue; and
- the risk factors discussed in this prospectus as well as other factors and uncertainties beyond our control.

The forward-looking statements contained in this prospectus speak only as of the date of this prospectus or, if obtained from third-party studies or reports, the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements in this prospectus. Since we operate in an emerging and evolving environment and new risk factors emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. Except as otherwise required by the securities laws of the United States, we undertake no obligation to update or revise any forward-looking statement, whether as a result of any new information, future event or otherwise, to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

OUR HISTORY AND CORPORATE STRUCTURE

Corporate History

We were incorporated on June 18, 1999 as Fly High Holdings Limited under the laws of the British Virgin Islands, and on July 14, 1999 changed our name to SouFun.com Limited. On June 17, 2004, we changed our corporate domicile to the Cayman Islands, becoming a Cayman Islands exempted company with limited liability. On June 22, 2004, we changed our name to SouFun Holdings Limited.

In 1999, we established Beijing Information, a PRC equity joint venture, together as an equity partner with Beijing Zhongfangzhi Data Consultancy Co., Ltd., or Beijing Zhongfangzhi, a PRC real estate information company, with us holding a 90.0% equity interest and Beijing Zhongfangzhi holding a 10.0% equity interest. Beijing Information currently provides real estate information services including database services and research reports. From 2000 to 2002, we established four wholly-owned subsidiaries, namely SouFun Shanghai, SouFun Shenzhen, SouFun Guangzhou and SouFun Tianjin, to focus our operations in Shanghai, Shenzhen, Guangzhou and Tianjin, respectively. In 2002, we also established SouFun Media, a wholly-owned subsidiary. In 2006, we established SouFun Network, a wholly-owned subsidiary as another operational arm. In August 2006, Telstra International, an indirect, wholly-owned subsidiary of Telstra Corporation Limited, or Telstra, one of the global Fortune 500 companies, became one of our significant shareholders by purchasing 40,726,162 ordinary shares in our Company from existing shareholders for US$254.0 million. In 2007, we established Beijing Zhong Zhi Shi Zheng, a wholly-owned subsidiary, as a separate business vehicle to focus on the provision of real estate information services including database services and research reports.

As of June 30, 2010, we had real estate-related content, search services, marketing and listing coverage of 106 cities across China and have what we believe is one of the largest and most comprehensive nationwide databases of online listings for new, secondary and rental properties as well as home furnishing and improvement products and services in China as measured by geographic coverage.

Our Principal Operating Entities

Our consolidated controlled entities that hold the licenses essential to the operation of our business are as follows:

- Beijing Internet holds an ICP license issued by the Beijing Telecommunications Administration Bureau for *www.villachina.com* and provides marketing and listing services relating to China's real estate and home furnishing and improvement sectors. Beijing Internet also holds licenses for the provision of value-added telecommunications services within the mobile networks of Beijing;
- Beijing Technology holds an ICP license issued by the Beijing Telecommunications Administration Bureau for *www.soufun.com* and has received approval to operate electronic bulletin board services on such website. Beijing Technology also holds a license issued by the Beijing Bureau of Radio and Television for producing and distributing videos, and a license issued by the State Administration of Radio, Film and Television for broadcasting real estate information audio and video programs on *www.soufun.com*. Beijing Technology provides marketing and listing services relating to China's real estate and home furnishing and improvement sectors;
- Beijing China Index holds an ICP license issued by the Beijing Telecommunications Administration Bureau for *www.landlist.cn* and has received approval to operate electronic bulletin board services on that website. Beijing China Index provides other

value-added services such as information database and research services relating to China's real estate and home furnishing and improvement sectors;

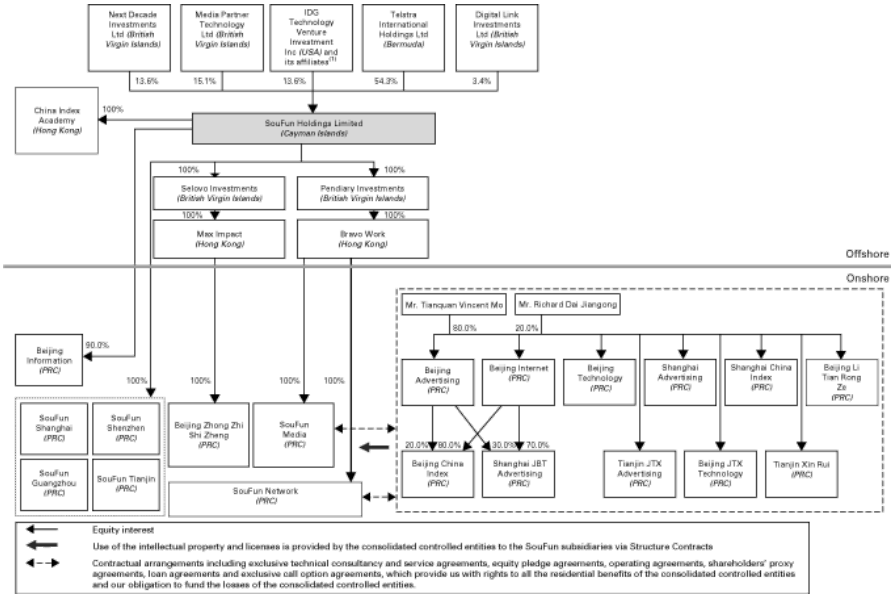
- Beijing JTX Technology holds an ICP license for *www.jiatx.com* issued by the Beijing Telecommunications Administration Bureau and has been approved for operating electronic bulletin board services on that website. Beijing JTX Technology also holds a license for the provision of value-added telecommunications services within Beijing. Beijing JTX Technology provides marketing and listing services relating to China's home furnishing and improvement business; and
- Each of Beijing Advertising, Shanghai JBT Advertising, Shanghai Advertising, Tianjin JTX Advertising and Tianjin Xin Rui is allowed to provide marketing and listing services, as the case may be, including design, production, agency and publication of advertisements in accordance with the business scope indicated in each of their respective business licenses and provide marketing and listing services relating to China's real estate and home furnishing and improvement business.

In 2007, 2008, 2009 and the six months ended June 30, 2010, a substantial proportion of our revenues was generated by marketing and listing services provided by these consolidated controlled entities holding their respective licenses, interests of which are held by us through the Structure Contacts, the details of which are described under "—Structure Contracts."

Our subsidiaries and our consolidated controlled entities do not have their own separate management teams. Their day-to-day operations are collectively managed by members of our senior management team under the direction and supervision of our board of directors, to whom they report regularly.

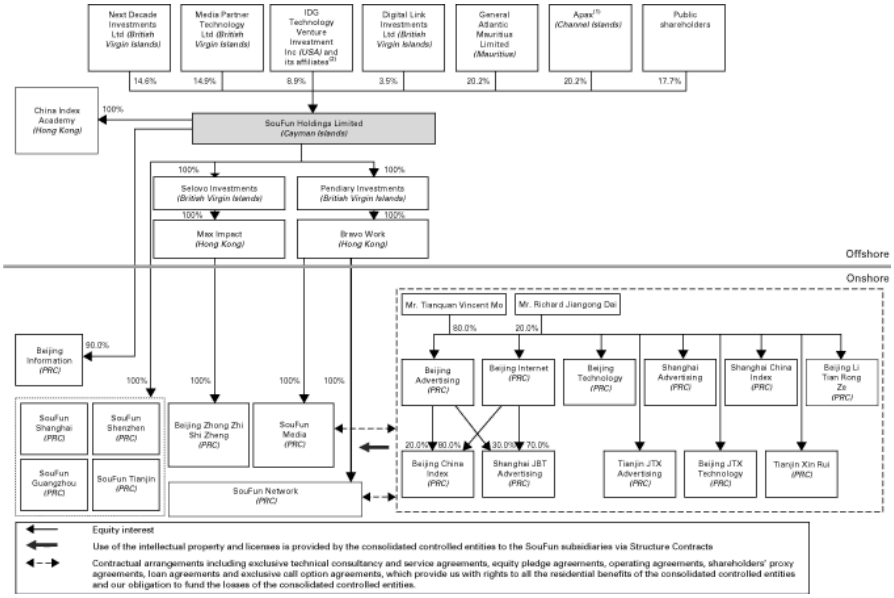
Corporate Structure and Arrangements with Our Consolidated Controlled Entities

The following diagram illustrates our corporate and share ownership structure with our consolidated controlled entities as of the date of this prospectus:



(1) Affiliates of IDG Technology Venture Investment Inc. include IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P.

The following diagram illustrates our expected corporate and share ownership structure with our consolidated controlled entities immediately following the closing of this offering (assuming full exercise by the underwriters of their over-allotment option) and the Telstra Private Placement:



(1) Refers to the following three entities affiliated with Apax Partners LLP: Hunt 7-A Guernsey L.P. Inc, Hunt 7-B Guernsey L.P Inc and Hunt 6-A Guernsey L.P. Inc.

(2) Affiliates of IDG Technology Venture Investment Inc. include IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P.

Structure Contracts

Foreign ownership in the Internet content provision and advertising businesses is subject to significant restrictions under current PRC laws, rules and regulations. See "Regulation—Restrictions on Foreign Ownership in the Online Advertising Industry." As wholly foreign-owned enterprises under PRC laws, rules and regulations, our subsidiaries, SouFun Media and SouFun Network, are not permitted to hold the ICP licenses or operate the advertising businesses that are critical to our operations. Each of SouFun Media and SouFun Network has received a business license, which provides for a business scope as follows: (i) it may not carry out business activities which are forbidden by laws, administrative rules, decrees of the State Council and National Foreign Investment Industry Policy; (ii) to the extent certain business activities are permitted by laws, administrative rules, decrees of the State Council or National Foreign Investment Industry Policy, it must obtain advance approval and register at the SAIC prior to carrying out such business activities; and (iii) it is entitled to carry out business activities which are not restricted by the laws, administrative rules, decrees of the State Council or National Foreign Investment Industry Policy. As SouFun Media and SouFun Network would not be permitted to hold ICP licenses or operate advertising businesses under PRC laws, rules and regulations, we operate our website and advertising businesses through the Structure Contracts, a series of contractual arrangements with our consolidated controlled entities and their shareholders. Our consolidated controlled entities hold the requisite ICP licenses for operating our website and are eligible to operate an advertising business in China.

Nine of our consolidated controlled entities—Beijing Advertising, Beijing Internet, Beijing Technology, Shanghai Advertising, Beijing JTX Technology, Tianjin JTX Advertising, Shanghai China Index, Beijing Li Tian Rong Ze and Tianjin Xin Rui—are companies established in China and are held directly as to 80.0% by Mr. Mo, our founder and executive chairman, and as to 20.0% by Mr. Dai, our president and chief executive officer who will also become a director of our company immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part. Both Mr. Mo and Mr. Dai are PRC citizens, and Mr. Dai is a nephew of Mr. Mo. The remaining two consolidated controlled entities, Beijing China Index and Shanghai JBT Advertising, are also companies established in China and are held indirectly by Mr. Mo and Mr. Dai through Beijing Advertising and Beijing Internet, respectively. Beijing Advertising and Beijing Internet hold 20.0% and 80.0%, respectively, of the equity interest in Beijing China Index, and 30.0% and 70.0%, respectively, of the equity interest in Shanghai JBT Advertising.

Although we do not have any direct or indirect shareholding interests in these 11 consolidated controlled entities, we have management, financial and voting control over and, to the extent permitted by PRC laws, rules and regulations, the right to acquire equity interests in these entities. We also bear economic risks with respect to, and derive economic benefits from, their operations through the Structure Contracts, including but not limited to:

- payment of service fees by our consolidated controlled entities to SouFun Network in respect of its provision of exclusive technical and consulting services to our consolidated controlled entities, together with a pledge of the equity interests of our consolidated controlled entities to ensure compliance with the exclusive technical consultancy and services agreements;
- consolidation of the control over our consolidated controlled entities at an operational level under the operating and shareholders' proxy agreements;
- advances to Mr. Mo and Mr. Dai for them to make capital contributions to our consolidated controlled entities;
- an exclusive call option granted to us to become the registered holder of the equity interests in our consolidated controlled entities at a cost equivalent to the advances to Mr. Mo and Mr. Dai, as and when permitted by PRC laws, rules and regulations; and

- an obligation on SouFun Media and SouFun Network, as the case may be, as reasonably requested by the consolidated controlled entities, to provide appropriate funds to the consolidated controlled entities for major losses resulting from their business and operations.

As a result of these Structure Contracts, we have rights to all the residual benefits of these 11 consolidated controlled entities and are obligated to fund the losses of such consolidated controlled entities. Accordingly, we consolidate their results in our financial statements. We believe that the terms of each Structure Contract are no less favorable than the terms that we could obtain from independent third parties.

For risks associated with our Structure Contracts with our consolidated controlled entities and their shareholders, see "Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government determines that the Structure Contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure" and "—Contractual arrangements, including voting proxies, with our consolidated controlled entities for our Internet content distribution and marketing businesses may not be as effective in providing operational control as direct or indirect ownership."

Material terms of the Structure Contracts entered into by us with the relevant consolidated controlled entities and/or their shareholders, Mr. Mo and Mr. Dai, in 2004, 2006, 2007, 2008 and 2010 are summarized below.

Exclusive Technical Consultancy and Services Agreements

Each of our consolidated controlled entities has entered into an exclusive technical consultancy and services agreement with SouFun Media or SouFun Network. Under these agreements, SouFun Media or SouFun Network, as the case may be, has the exclusive right to provide the consolidated controlled entities with relevant technical services relating to the consolidated controlled entities' business, such as IT system operations and maintenance services, or technology supporting services for the consolidated controlled entities' advertising products. In exchange for these services, each of our consolidated controlled entities has agreed to make monthly payments to the service provider for such services. The monthly payments are mutually agreed by the parties and are based on certain objective criteria, such as monthly page view statistics and the number of billable hours spent by the service provider's technicians in providing such services. The original term of each agreement is 10 years, to be automatically extended for another 10 years unless otherwise terminated by the service provider upon written notice six months prior to the end of the 10-year term. The relevant consolidated controlled entities may not terminate the agreements unless any such service provider's acts constitute material negligence, violation of law or material breach of the agreement or unless the service provider files for bankruptcy. Our consolidated controlled entities entered into exclusive technical consultancy and services agreements with SouFun Media or SouFun Network, as the case may be, on May 9, 2004, July 16, 2004, August 17, 2006, December 12, 2006, December 22, 2006, November 22, 2007, February 25, 2008 and March 25, 2010.

Equity Pledge Agreements

In order to secure the payment obligations of each consolidated controlled entity under the exclusive technical consultancy and services agreements described above, the direct shareholders of each consolidated controlled entity, Mr. Mo, Mr. Dai, Beijing Internet and Beijing Advertising, as the case may be, have pledged to SouFun Media or SouFun Network their entire respective ownership interests in such consolidated controlled entity. Upon the occurrence of certain events of default specified in these agreements, SouFun Media or

SouFun Network, as applicable, may exercise its rights and foreclose on the pledged equity interest. Under these agreements, the shareholders may not transfer the pledged equity interest without SouFun Media's or SouFun Network's prior written consent, as the case may be. Each of SouFun Media or SouFun Network, as the case may be, also has the right to collect dividends of the relevant consolidated controlled entity from the shareholders of the consolidated controlled entities. The agreements will also be binding upon successors of the shareholders and transferees of the pledged equity interest.

Pursuant to the equity pledge agreements, the following occurrences would constitute an event of default:

- the relevant consolidated controlled entity is unable to pay fees due pursuant to the technical consultancy and services agreement;
- the shareholders of the relevant consolidated controlled entity violate any of the warranties or guarantees in the equity pledge agreement;
- the shareholders of the relevant consolidated controlled entity violate any of the terms of the equity pledge agreement;
- the shareholders of the relevant consolidated controlled entity transfer their assets in the consolidated controlled entity without the written consent of SouFun Network;
- the relevant consolidated controlled entity is in violation of loan agreements with third parties requiring it to accelerate payment of its debts or is in such violation that causes SouFun Network to believe the relevant consolidated controlled entity's capability to perform the exclusive technical consultancy and services agreement with SouFun Network has been adversely affected;
- the shareholders of the relevant consolidated controlled entity are unable to perform their ordinary debt obligations or payments;
- where the relevant equity pledge agreement cannot be performed as a result of any newly issued laws, or the pledgor is not able to perform its obligations under the exclusive technical consultancy and services agreement with SouFun Network;
- where all government approvals related to the performance of the relevant equity pledge agreement are amended, terminated or cease to be effective;
- where there is an adverse change to the financial condition of the shareholders, and the change causes SouFun Network to believe the shareholders' capability to perform the obligations under the exclusive technical consultancy and services agreement has been adversely affected;
- where the successor of the relevant consolidated controlled entity is only able to partially perform or refuses to perform its obligations under the exclusive technical consultancy and services agreement; and
- where laws and regulations render the shareholders of the relevant consolidated controlled entity unable to enforce their pledge rights under the equity pledge agreement.

The equity pledge agreements may be terminated upon the completion of all of the consolidated controlled entity's contractual liabilities under the exclusive technical consultancy and services agreements described above. The shareholders of our consolidated controlled entities entered into these equity pledge agreements with SouFun Media or SouFun Network, as the case may be, on May 9, 2004, July 16, 2004, July 26, 2004, August 17, 2006, December 12, 2006, December 22, 2006, November 22, 2007 and March 25, 2010.

Operating Agreements

Each of our consolidated controlled entities and such consolidated controlled entity's shareholders have entered into an operating agreement with SouFun Media or SouFun Network. Under each of these agreements, SouFun Media or SouFun Network has undertaken to enter into guarantee contracts with third parties, as required by third parties, to guarantee the performance of the consolidated controlled entity under such consolidated controlled entity's business contracts with third parties. As of the date of this prospectus, we have not entered into any such guarantee contracts with third parties. In turn, each consolidated controlled entity is required to pledge its accounts receivable and mortgage all of its assets as counter-security to SouFun Media or SouFun Network. Our consolidated controlled entities and their direct shareholders, Mr. Mo, Mr. Dai, Beijing Internet and Beijing Advertising, as the case may be, have each agreed not to enter into any transaction that would substantially affect the assets, rights, obligations or operations of such consolidated controlled entity without the prior written consent of SouFun Media or SouFun Network. Furthermore, the shareholders of each consolidated controlled entity will appoint or remove the directors and executive officers of such consolidated controlled entity upon instruction from SouFun Media or SouFun Network, and accept guidance from SouFun Media or SouFun Network, regarding the day-to-day operations and financial and personnel management of such consolidated controlled entity. These agreements will also be binding upon successors of the parties or transferees of the parties' equity interests. The original term of each agreement is 10 years. The agreements can be extended prior to expiration with written confirmation from SouFun Media or SouFun Network, or can be terminated by SouFun Media or SouFun Network, upon 30 days' advance notice. Our consolidated controlled entities and their respective shareholders entered into operating agreements in this form with SouFun Media or SouFun Network, as the case may be, on May 9, 2004, July 16, 2004, August 17, 2006, December 12, 2006, December 22, 2006, November 22, 2007 and March 25, 2010.

Shareholders' Proxy Agreements

In accordance with a shareholders' proxy agreement, each of Mr. Mo, Mr. Dai, Beijing Internet and Beijing Advertising, as the case may be, the direct shareholders of each of our consolidated controlled entities, has irrevocably entrusted SouFun Media or SouFun Network to exercise their respective rights as shareholders of such consolidated controlled entity to attend shareholders' meetings and cast votes. SouFun Media or SouFun Network may assign part or all of these proxy rights to its designated employees, and will be indemnified for any loss under this agreement. These agreements will also be binding upon successors of the parties or transferees of the parties' equity interests. Each agreement will remain in effect until terminated upon written consent by all the parties to the agreement or by their successors. Our consolidated controlled entities, their respective shareholders and SouFun Media and SouFun Network, as the case may be, entered into shareholders' proxy agreements in this form on May 9, 2004, July 16, 2004, August 17, 2006, December 12, 2006, December 22, 2006, November 22, 2007 and March 25, 2010.

Loan Agreements

In accordance with loan agreements entered into between SouFun Media and SouFun Network and Mr. Mo and Mr. Dai, as shareholders of eight of our consolidated controlled entities, including Beijing Advertising, Beijing Technology, Shanghai Advertising, Shanghai China Index, Beijing Li Tian Rong Ze, Tianjin Xin Rui, Tianjin JTX Advertising and Beijing JTX Technology, SouFun Media and SouFun Network, as the case may be, advanced loans to Mr. Mo and Mr. Dai to make contributions to the registered capital of these consolidated controlled entities pursuant to a series of loan agreements entered into between 2004 and 2008. Mr. Mo and Mr. Dai agreed that, upon request, they will repay the loans by transferring

their entire respective equity interests in the consolidated controlled entities to SouFun Media or SouFun Network, or another entity designated by SouFun Media or SouFun Network, as the case may be, when permitted by applicable PRC laws, rules and regulations. The repayment term of the loans is unstated unless SouFun Media and SouFun Network agree for Mr. Mo and Mr. Dai to repay the loans, subject to the terms required by the loan agreement. Mr. Mo and Mr. Dai have agreed to transfer their entire respective equity interests in the consolidated controlled entities to SouFun Media or SouFun Network or another entity designated by SouFun Media or SouFun Network if and when they terminate their employment with us. Mr. Mo and Mr. Dai and SouFun Media and SouFun Network, as the case may be, entered into loan agreements in this form on July 16, 2004, August 17, 2006, November 24, 2006, November 30, 2006, December 19, 2006, November 13, 2007, April 1, 2008 and March 25, 2010.

Exclusive Call Option Agreements

Through exclusive call option agreements entered into between us and either SouFun Media or SouFun Network, on the one hand, and each of our consolidated controlled entities and their respective direct shareholders, Mr. Mo, Mr. Dai, Beijing Internet and Beijing Advertising, on the other hand, we or any third party designated by us have the right to acquire from the direct shareholders of the consolidated controlled entities that are parties to the agreement, their entire respective equity interests in such consolidated controlled entities when permitted by applicable PRC laws, rules and regulations. Pursuant to these exclusive call option agreements, each consolidated controlled entity is subject to a number of restrictive covenants, including restrictions on the sale, transfer and pledge of its assets, restrictions on entering into contracts of an aggregate value of RMB100,000 or more and restrictions on distributions or dividends, without the prior written consent of SouFun Media or SouFun Network, or us. The direct shareholders of the consolidated controlled entities are also subject to a number of restrictive covenants, including restrictions on the sale, transfer or pledge of assets of the consolidated controlled entities without the prior written consent of SouFun Media, SouFun Network or us unless permitted by the relevant equity pledge agreement for such consolidated controlled entity. The proceeds from the exercise of the call option will be applied to repay the loans under the loan agreements described above, or, in the case of Beijing Internet, Beijing China Index and Shanghai JBT Advertising, their equity interests will be acquired from their shareholders upon exercise of the option under the exclusive call option agreements. We will not make any additional payments to the shareholders of our consolidated controlled entities under these agreements. These agreements each has an original term of 10 years and may be extended for another 10 years at our sole discretion.

We entered into exclusive call option agreements with SouFun Media or SouFun Network, our consolidated controlled entities and their respective shareholders on May 9, 2004, July 16, 2004, August 17, 2006, December 12, 2006, December 21, 2006, November 22, 2007 and March 25, 2010.

Intra-group Memoranda of Understanding

On February 15, 2008, to help ensure SouFun Media and SouFun Network's compliance with applicable PRC laws, rule and regulations and for the purposes of documenting the allocation of responsibilities between SouFun Media, SouFun Network and our consolidated controlled entities for regulatory purposes, each of Beijing Internet, Beijing Advertising, Beijing Technology, Beijing China Index, Shanghai JBT Advertising, Shanghai Advertising, Beijing JTX Technology, Tianjin JTX Advertising and Shanghai China Index entered into an intra-group memorandum of understanding on work allocation with us, whereby it was agreed that, in order to facilitate the provision of services to our customers, SouFun Media or SouFun Network, as the case may be, may enter into business contracts with our customers and, as agreed by our consolidated controlled entities, issue invoices directly to customers so long as

the relevant consolidated controlled entity provides the online advertising or Internet information release services to our customers. All online advertising or Internet information release services provided to our customers that require the service provider to hold relevant licenses have been and continue to be provided by the relevant license holders. However, SouFun Media and SouFun Network may be construed to be providing online advertising or Internet information release services to our customers due to the fact that they are parties to such agreements. See "Risk Factors—Risks Relating to our Corporate Structure—If our PRC subsidiaries are deemed to have engaged in online advertising or Internet information release businesses without required permits or licenses, they could be subject to penalties imposed by PRC regulatory authorities." All of SouFun Media's and SouFun Network's service contracts with customers with online advertising or Internet information release components will terminate or expire on or prior to December 31, 2010. Moreover, by June 30, 2010, SouFun Media and SouFun Network will cease entering into new, or renewing any existing, service contracts with online advertising or Internet information release components. Although SouFun Media and SouFun Network have not historically done so, SouFun Media or SouFun Network, as the case may be, on the one hand, and our consolidated controlled entities, on the other hand, may allocate their respective income in accordance with the fees received as well as the internal fee scale between our consolidated controlled entities and us based on the billable hours contributed by each party.

If the PRC regulatory authorities take the view that our intra-group memoranda of understanding are not valid or fail to comply with applicable PRC laws, rules and regulations, SouFun Media or SouFun Network may be deemed to be engaging in the online advertising or Internet information release businesses in China in violation of the applicable PRC laws, rules and regulations. See "Risks Factors—Risks Relating to Our Corporate Structure—If our PRC subsidiaries are deemed to have engaged in online advertising or Internet information release businesses without required permits or licenses, they could be subject to penalties imposed by PRC regulatory authorities." Moreover, as the enforceability of our intra-group memoranda of understanding relies in part on the Structure Contracts, if the relevant PRC regulatory authorities determine that our Structure Contracts are not in compliance with applicable PRC laws, rules and regulations, we could have difficulty enforcing the intra-group memoranda of understanding with our controlled consolidated entities.

2010 Amendments to Our Structure Contracts

On March 25, 2010, we entered into amendments to the exclusive technical consultancy and service agreements, equity pledge agreements, operating agreements, shareholders' proxy agreements, loan agreements and exclusive call option agreements, or the 2010 Amendments, with SouFun Network and/or SouFun Media, as the case may be, and each of our consolidated controlled entities and their respective direct shareholders. Under the 2010 Amendments and relevant contractual arrangements, SouFun Network has replaced SouFun Media as a party to the Structure Contracts and SouFun Network has therefore undertaken the rights and obligations of SouFun Media under the Structure Contracts. The 2010 Amendments have amended and restated the provisions of our agreements as follows:

- *Amendments and Supplements to the Exclusive Technical Consultancy and Services Agreements.* The 2010 Amendments provide that SouFun Network and our consolidated controlled entities may negotiate to adjust the criteria for determining service fees set forth in the exclusive technical consultancy and services agreements, and any adjustment to such service fees must be approved by SouFun Network. The 2010 Amendments further provide that SouFun Network can unilaterally extend the term of the exclusive technical consultancy and services agreements and such request will be unconditionally agreed to by our consolidated controlled entities.

- *Amendments and Supplements to the Operating Agreements.* The 2010 Amendments provide that the consolidated controlled entities and shareholders of the consolidated controlled entities should abide by the corporate policies and guidelines provided by SouFun Network, including the recruitment and dismissal of relevant employees of the consolidated controlled entities, the daily operations and management of the consolidated controlled entities as well as the financial management system of the consolidated controlled entities. Moreover, the 2010 Amendments provide that the annual budgets of our consolidated controlled entities shall be examined and approved by SouFun Network, including but not limited to profit estimates, operating capital, pricing strategies and payment policies. Additionally, our consolidated controlled entities' operating costs may not exceed the annual budget approved by SouFun Network. SouFun Network is also obligated to provide proper capital support or other financial support to our consolidated controlled entities on their reasonable demand and the supporting methods and plans shall be negotiated by SouFun Network and our consolidated controlled entities based upon the specific circumstances of our consolidated controlled entities.
- *Amendments and Supplements to the Exclusive Call Option Agreements.* The 2010 Amendments provide an additional restrictive covenant on the part of our consolidated controlled entities that allows us, upon our unilateral decision, to request our consolidated controlled entities to make donations to SouFun Network, to the extent permitted by applicable laws, rules and regulations, at the time and in the amount and form designated by us. Our consolidated controlled entities covenanted not to reject such a request under any circumstances. The 2010 Amendments also provide an additional restrictive covenant on the part of the shareholders of our consolidated controlled entities that requires them to immediately transfer all the profits distributed from our consolidated controlled entities to us upon our request, which provides us with an alternative method to secure operating revenues and profits from our consolidated controlled subsidiaries that are in excess of their operating expenses or capital needs, should our consolidated controlled subsidiaries fail to pay service fees to us pursuant to the exclusive technical consultancy and service agreements. The 2010 Amendments further provide that SouFun Network can unilaterally extend the term of the exclusive call option agreements and such request will be unconditionally agreed to by our consolidated controlled entities.

Our Economic Benefits under the Structure Contracts

We have structured our Structure Contracts so that we have management, financial and voting control over and, to the extent permitted by PRC laws, rules and regulations, the right to acquire equity interests in our consolidated controlled entities. As the arrangements under the Structure Contracts enable the economic benefits of our consolidated controlled entities' businesses and assets to flow to our wholly-owned subsidiary, SouFun Network, and to us, the Structure Contracts, taken as a whole, permit the results and financial operations of our consolidated controlled entities to be consolidated with ours as if they were our subsidiaries.

These arrangements give us the ability to secure payments from the consolidated controlled entities through two methods: (i) service fees and (ii) donations or transfers of profits. In practical terms, we are entitled to receive, at our sole discretion, all of the operating revenues and profits from the operations of our consolidated controlled entities that are in excess of their operating expenses and capital needs, through the payment of service fees under these Structure Contracts. To the extent permitted by laws and regulations, we may also unilaterally request our consolidated controlled entities to make donations to SouFun Network at the time and in the amount and form designated by us pursuant to the 2010 Amendments. In addition, the shareholders of our consolidated controlled entities are obligated to immediately transfer to us all the profits distributed by our consolidated controlled entities upon our

request. We originally structured the monthly payments under the exclusive technical consultancy and service agreements to ensure that the consolidated controlled entities will pay to us their operating revenues and profits from their operations that are in excess of their operating expenses and capital needs. Our right to unilaterally request donations and the transfer of profits from the consolidated controlled entities is meant to be an additional assurance under the contracts with respect to the payment of such operating revenues and profit to us.

Legal Opinion of Our PRC Legal Counsel on the Structure Contracts

Our PRC legal counsel, King & Wood, is of the opinion that:

- each of our Structure Contracts is legal, valid and binding on the contracting parties under applicable PRC laws, rules and regulations;
- the execution, delivery, effectiveness, enforceability and performance of each of our Structure Contracts do not violate any published PRC laws, rules and regulations currently in force and effect;
- none of our Structure Contracts contravene any published PRC laws, rules and regulations currently in force and effect; and
- no filings, registrations, consents, approvals, permits, authorizations, certificates and licenses of any PRC government authorities are currently required in connection with the execution, delivery, effectiveness, performance and enforceability of each Structure Contract, provided that the pledges of equity interests under the Structure Contracts should be registered with competent PRC government authorities, and provided further that the exercise of the call option in the future must be approved and registered by competent PRC government authorities.

However, the relevant PRC regulatory authorities may take a different view and determine that such contractual arrangements are in violation of applicable PRC laws, rules and regulations. If these contractual arrangements are found to be in violation of such PRC laws, rules or regulations, the relevant PRC regulatory authorities will have discretion to take action against SouFun Network, our consolidated controlled entities and their respective shareholders for such violation, including unwinding the contractual arrangements or prohibiting us from operating our current business in China.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$6.9 million, based on the initial public offering price per ADS of US$41.50, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus. A US$1.00 increase (decrease) in the assumed initial offering price would increase (decrease) the net proceeds to us from this offering by US$0.9 million after deducting the estimated offering expenses payable by us.

The primary purposes of this offering are to create a public market for our ordinary shares represented by ADSs, to facilitate future access to public markets and to obtain additional equity capital. We expect to use the proceeds we receive from this offering for general corporate purposes, including capital expenditures relating to the expansion of our operations and payment of the offering expenses payable by us in this offering. Pending application of our net proceeds, we intend to hold our net proceeds in demand deposits or invest them in interest-bearing government securities.

We will not receive any of the proceeds from the sale of ADSs by the selling shareholders in this offering.

DIVIDEND POLICY

In 2007 and 2009, we declared dividends of RMB350.0 million (US$41.1 million) and RMB300.0 million (US$43.9 million), respectively, to our shareholders. Our shareholders subsequently agreed that the 2007 dividend declaration of RMB350.0 million be reduced to RMB300.0 million. Of these amounts, we paid dividends of US$2.6 million, US$16.2 million and US$24.2 million, respectively, to our shareholders in 2007, 2008 and 2009. Also see "Risk Factors—Risks Relating to China—SouFun Media, SouFun Network, Beijing Zhong Zhi Shi Zheng and the relevant consolidated controlled entities may be subject to fines and legal or administrative sanctions in connection with dividend distributions we made between December 2007 and June 2009." As of June 30, 2010, RMB299.8 million (US$44.1 million) of these dividends remain outstanding and are payable on or prior to June 30, 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information on the payments of the outstanding dividend. Purchasers of ADSs in this offering are not eligible to receive any portion of these previously declared and outstanding dividends.

We currently intend to retain all available funds and any future earnings to finance our business and to fund growth and expansion of our business and, therefore, do not expect to pay any cash dividends on our ordinary shares, including those represented by ADSs, in the foreseeable future. We currently have no specific intention to issue share dividends in the future.

Any future determination to pay dividends will be made at the discretion of our board of directors and will be based upon our future operations and earnings, capital requirements and surplus, general financial condition, shareholders' interests, contractual restrictions and such other factors as our board of directors may deem relevant. For a description of our corporate structure and its potential impact upon our ability to pay dividends, see "Risk Factors—Risks Relating to China—We rely on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity."

Holders of ADSs will be entitled to receiving dividends, subject to the terms of the deposit agreement, to the same extent as the holders of our ordinary shares. Cash dividends, if any, will be paid to the depositary in U.S. dollars and paid to holders of ADSs according to the terms of the deposit agreement. Other distributions, if any, will be paid by the depositary to holders of ADSs in any means it deems legal, fair and practical. See "Description of American Depositary Shares—Dividends and Other Distributions." Under the deposit agreement, the depositary is required to distribute dividends to holders of ADSs unless such distribution is prohibited by law. The amounts distributed to holders will be net of fees, expenses, taxes and other governmental charges payable by holders under the deposit agreement.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2010:

- on an actual basis; and
- on an as adjusted basis to reflect the exercise of 1,125,000 vested stock options by Media Partner to purchase 1,125,000 Class A ordinary shares, the issuance of 20,882 non-voting ordinary shares to Telstra International upon its exercise of 41,250 vested stock options by means of net-share settlement and the issuance and sale of 987,656 Class A ordinary shares in the form of ADSs by us in this offering based on the initial public offering price of US$41.50 per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the estimated offering expenses payable by us.

You should read this section in conjunction with "Selected Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and corresponding notes thereto included elsewhere in this prospectus.

	As of June 30, 2010	
	Actual	As Adjusted
	(US$ in thousands)	
Shareholders' equity		
Ordinary shares, par value of HK$1.00 per share, 600,000,000 shares authorized, 73,932,217 shares issued and outstanding as of December 31, 2009 and June 30, 2010	9,489	9,760
Additional paid-in capital(1)	22,225	31,791
Accumulated other comprehensive income	6,376	6,376
Retained earnings	5,309	4,518
Total SouFun Holdings Limited's equity(1)	43,399	52,445
Non-controlling interests	52	52
Total shareholders' equity(1)	43,451	52,497
Total capitalization(1)	43,451	52,497

(1) Assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated offering expenses payable by us, a US$1.00 increase (decrease) in the assumed initial public offering price of US$10.38 per ordinary share would increase (decrease) each of additional paid-in capital and total SouFun Holdings Limited's equity, total shareholders' equity and total capitalization by US$0.9 million.

Except as set forth above or otherwise contemplated in this prospectus, there has been no material change in our consolidated capitalization since June 30, 2010.

DILUTION

Our net tangible book value as of June 30, 2010 was approximately US$42.4 million, or US$0.57 per ordinary share outstanding on that date, equivalent to US$2.28 per ADS. Net tangible book value represents total consolidated tangible assets minus the amount of our total consolidated liabilities and noncontrolling interests. Assuming the ADSs offered in this offering are sold at an assumed initial public offering price of US$41.5 per ADS, the mid-point of the estimated offering price range set forth on the front cover page of this prospectus, after giving effect to the exercise of 1,125,000 vested stock options by Media Partner to purchase 1,125,000 Class A ordinary shares, the issuance of 20,882 non-voting ordinary shares to Telstra International upon its exercise of 41,250 vested options by means of net-share settlement and our issuance and sale of the ADSs offered in this offering and after deducting the estimated expenses of this offering payable by us, net tangible book value as of June 30, 2010 would have increased to US$51.4 million, or US$0.68 per ordinary share and US$2.72 per ADS. This represents an immediate increase in net tangible book value of US$0.11 per ordinary share, or US$0.44 per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$9.7 per ordinary share, or US$38.78 per ADS, to new investors purchasing ADSs at the initial public offering price.

The following table illustrates such per ADS dilution. The assumed initial public offering price per share set forth below of US$10.38 is based on the mid-point of the range shown on the front cover of the prospectus.

Assumed initial public offering price per ordinary share	US$10.38
Net tangible book value per ordinary share as of June 30, 2010	US$ 0.57
Increase in net tangible book value per ordinary share attributable to existing shareholders	US$ 0.11
Net tangible book value per ordinary share after giving effect to this offering, the exercise of 1,125,000 vested stock options by Media Partner and the issuance of 20,882 non-voting ordinary shares to Telstra International upon its exercise of vested options	US$ 0.68
Dilution in net tangible book value per ordinary share to new investors	US$ 9.7
Percentage dilution in net tangible book value per ordinary share to new investors	93.5%
Dilution in net tangible book value per ADS to new investors	US$38.78
Percentage dilution in net tangible book value per ADS to new investors	93.5%

A US$1.00 increase (decrease) in the assumed initial public offering price of US$10.38 per ordinary share would increase (decrease):

- our pro forma net tangible book value after giving effect to this offering by US$0.9 million,
- our pro forma net tangible book value per ordinary share and per ADS after giving effect to this offering by US$0.01 per ordinary share and US$0.04 per ADS, and
- the dilution in our pro forma net tangible book value per ordinary share and per ADS to new investors in this offering by US$0.99 per ordinary share and US$3.96 per ADS,

assuming no change to the number of ADS offered by us and the selling shareholders as set forth on the cover page of this prospectus and after deducting expenses of the offering payable by us. The pro forma information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment and based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing, including deduction of expenses of the offering.

The following table summarizes, as of June 30, 2010, the differences between existing shareholders and new investors with respect to the number of ordinary shares purchased from us, the total consideration paid to us (including ordinary shares underlying the ADSs) and the average price per ordinary share paid by existing investors and by new investors purchasing ordinary shares evidenced by ADSs in this offering at the initial public offering price of US$41.50 per ADS and without giving effect to underwriting discounts and commissions and other estimated offering expenses payable by us.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share Equivalent	Average Price Per ADS Equivalent
	Number	Percent	Amount	Percent		
			(in thousands)			
Existing shareholders*	75,078,099	98.7%	US$ 8,808	46.2%	US$ 0.12	US$ 0.48
New investors	987,656	1.3	10,247	53.8	10.38	41.50
Total	76,065,755	100%	US$19,054	100%		

* Including the exercise of 1,125,000 vested stock options by Media Partner for an aggregate purchase price of US$307,500 and the exercise of vested stock option by Telstra International to purchase 20,882 non-voting ordinary shares by Telstra International by means of net-share settlement.

A US$1.00 increase (decrease) in the assumed initial public offering price of US$10.38 per ordinary share would increase (decrease) total consideration paid by new investors, total consideration paid by all shareholders and the average price per ADS paid by all shareholders by US$0.9 million, US$0.9 million and US$0.01 respectively, assuming no change in the number of ADSs sold by the selling shareholders as set forth on the cover page of this prospectus and without deducting underwriting discounts and commissions and other expenses of the offering.

The foregoing discussion and table assume no exercise of any outstanding share options, except for the exercise of 1,125,000 vested stock options by Media Partner and the exercise of vested stock options by Telstra International to purchase 20,882 non-voting ordinary shares by means of net-share settlement. As of June 30, 2010, there were share options outstanding to purchase an aggregate of 9,564,050 ordinary shares at a weighted average exercise price of US$3.78 per share.

EXCHANGE RATE INFORMATION

Our business is conducted in China and substantially all of our revenues and expenses are denominated in Renminbi. For your convenience, this prospectus contains translations of Renminbi amounts into U.S. dollars at specified rates. For all dates and periods through December 31, 2008, exchange rates of Renminbi into U.S. dollars are based on 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. For January 1, 2009 and all later dates and periods, the exchange rate refers to the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board. 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 RMB6.8259 to US$1.00, the exchange rate in effect as of December 31, 2009. We make no representation that the Renminbi or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

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

	Renminbi Per U.S. Dollar Exchange Rate			
	Low	High	Average [1]	Period-End
2005	8.2765	8.0702	8.1826	8.0702
2006	8.0702	7.8041	7.9579	7.8041
2007	7.8127	7.2946	7.5806	7.2946
2008	7.2946	6.7800	6.9193	6.8225
2009	6.8470	6.8176	6.8295	6.8259
2010 (through August 27)				
February	6.8330	6.8258	6.8285	6.8258
March	6.8270	6.8254	6.8262	6.8258
April	6.8275	6.8229	6.8256	6.8247
May	6.8310	6.8245	6.8275	6.8305
June	6.8323	6.7815	6.8184	6.7815
July	6.7807	6.7709	6.7762	6.7735
August (through August 27)	6.8038	6.7670	6.7855	6.7977

Source: Federal Reserve Bank of New York and Federal Reserve Board.

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

On August 27, 2010, the exchange rate for cable transfers in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York was RMB6.7977 to US$1.00.

ENFORCEABILITY OF CIVIL LIABILITIES

Substantially all of our assets are located outside the United States. In addition, many of our directors and officers may be nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets may be 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 us or these persons, or to enforce against us or them judgments obtained in U.S. 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. as our agent to receive service of process with respect to any action brought against us in the United States District Court for the Southern District of New York under the federal securities laws of the United States or of any state in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

Conyers Dill & Pearman, our counsel as to Cayman Islands law, and King & Wood, our counsel as to PRC law, have advised us that there is uncertainty as to whether the courts of the Cayman Islands or China would, respectively: (1) 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 or territory within the United States; or (2) entertain original actions brought in the Cayman Islands or China against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States.

Conyers Dill & Pearman has informed us that the uncertainty with regard to Cayman Islands law relates to whether a judgment obtained from the U.S. courts under civil liability provisions of U.S. securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company, such as us. As the courts of the Cayman Islands have yet to rule on making such a determination in relation to judgments obtained from U.S. courts under civil liability provisions of U.S. securities laws, it is uncertain whether such judgments would be enforceable in the Cayman Islands. Conyers Dill & Pearman has further advised us that the courts of the Cayman Islands would recognize as a valid judgment a final and conclusive judgment in personam obtained in the federal or state courts in the United States under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that: (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

King & Wood has also advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. Currently, there are no treaties providing for reciprocity arrangements between the United States and China for the recognition or enforcement of U.S. court judgments in China. As a result, recognition and enforcement in China of judgments of a court in the United States or any other jurisdiction in relation to any matter not subject to a binding arbitration agreement may be difficult. PRC law does not require any claim based

upon U.S. federal securities laws to be arbitrated in China unless the parties have entered into a binding arbitration agreement that complies with the PRC Arbitration Law or involve certain specific types of actions such as labor disputes governed by PRC law. Pursuant to the PRC Civil Procedure Law, any matter, including matters arising under U.S. federal securities laws, in relation to assets or personal relationships may be brought as an original action in China, only if the institution of such action satisfies the conditions specified in the PRC Civil Procedure Law. As a result of the conditions set forth in the PRC Civil Procedure Law and the discretion of the PRC courts to determine whether the conditions are satisfied and whether to accept the action for adjudication, there remains uncertainty as to whether an investor will be able to bring an original action in a PRC court based on U.S. federal securities laws. In addition, in the event that foreign judgments contravene the basic principles of laws of China, endanger PRC state sovereignty or security, or are in conflict with the public interest of China, PRC courts will not recognize and enforce such foreign judgments.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

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

The following selected consolidated statements of operations data and consolidated cash flow data (except for ADS information) for the years ended December 31, 2007, 2008 and 2009, and the selected consolidated balance sheet data as of December 31, 2008 and 2009, are derived from our audited consolidated financial statements included elsewhere in this prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and related notes. Our consolidated financial statements are prepared in accordance with U.S. GAAP, and have been audited by Ernst & Young Hua Ming, our independent registered public accounting firm. The report of Ernst & Young Hua Ming on our consolidated financial statements is included in this prospectus.

The selected consolidated statements of operations data for the years ended December 31, 2005 and 2006 and the selected consolidated balance sheet data as of December 31, 2005, 2006 and 2007 are derived from our unaudited consolidated financial statements, which are not included in this prospectus. The selected consolidated statements of operations data (except for ADS related information) and selected consolidated cash flow data for the six months ended June 30, 2009 and 2010 and the selected consolidated balance sheet data as of June 30, 2010 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. The unaudited financial information includes all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the periods presented. Our results of operations in any period may not necessarily be indicative of the results that may be expected for any future period.

	Year ended December 31,					Six months ended June 30,	
	2005	2006	2007	2008	2009	2009	2010
	(US$ in thousands, except per ordinary share and ADS data and number of shares and ADSs)						
Consolidated statement of operations data							
Revenues							
Marketing services(1)	12,491	30,638	46,552	86,252	102,367	29,503	45,586
Listing services	4,532	4,633	9,885	16,070	17,559	5,398	14,006
Other value-added services and products	981	3,532	1,439	1,802	7,123	2,056	8,593
Total Revenues	18,004	38,803	57,876	104,124	127,049	36,957	68,185
Cost of revenues							
Cost of services	(5,748)	(8,214)	(12,630)	(22,162)	(26,484)	(9,506)	(18,164)
Cost of other value-added services and products	—	—	—	—	(4,863)	(1,185)	(6,887)
Total cost of revenues	(5,748)	(8,214)	(12,630)	(22,162)	(31,347)	(10,691)	(25,051)
Gross profit	12,256	30,589	45,246	81,962	95,702	26,266	43,134
Operating expenses							
Selling expenses	(4,308)	(9,404)	(13,221)	(18,708)	(25,186)	(9,988)	(16,742)
General and administrative expenses	(5,083)	(14,703)	(12,158)	(19,857)	(22,176)	(9,379)	(14,330)
Operating income	2,865	6,482	19,867	43,397	48,340	6,899	12,062
Foreign exchange gain (loss)	61	(9)	8	(2,826)	(59)	(17)	(481)
Interest income (2)	149	278	707	1,221	1,205	613	1,162
Realized gain—trading securities	—	—	—	—	195	85	164

	Year ended December 31,					Six months ended June 30,	
	2005	2006	2007	2008	2009	2009	2010
	(US$ in thousands, except per ordinary share and ADS data and number of shares and ADSs)						
Government grant	—	114	211	360	730	336	356
Income before income tax	3,075	6,865	20,793	42,152	50,411	7,916	13,263
Income tax (expense)/benefit	(210)	(1,340)	(8,457)	(18,805)	2,199	(4,190)	(7,965)
Net income	2,865	5,525	12,336	23,347	52,610	3,726	5,298
Net income (loss) attributable to non-controlling interest	—	14	125	(34)	(42)	(20)	(11)
Net income attributable to SouFun Holdings Limited shareholders	2,865	5,511	12,211	23,381	52,652	3,746	5,309
Income per ordinary share							
Basic	0.04	0.08	0.16	0.32	0.71	0.05	0.07
Diluted(3)	0.04	0.07	0.16	0.30	0.68	0.05	0.07
Dividend declared per ordinary share	—	—	0.55	—	0.59	—	—
Income per ADS							
Basic	0.16	0.32	0.64	1.28	2.84	0.20	0.28
Diluted	0.16	0.28	0.64	1.20	2.72	0.20	0.28
Dividend declared per ADS	—	—	2.20	—	2.36	—	—
Weighted average number of ordinary shares outstanding							
Basic	67,576,741	66,353,603	74,020,217	74,020,217	73,986,129	74,020,217	73,932,217
Diluted	74,770,880	77,239,648	76,997,410	77,092,197	77,418,960	77,386,202	77,851,697
Weighted average number of ADSs outstanding							
Basic	16,894,185	16,588,401	18,505,054	18,505,054	18,496,532	18,505,054	18,483,054
Diluted	18,692,720	19,309,912	19,249,353	19,273,049	19,354,740	19,346,551	19,462,924
Share-based compensation included in:							
Cost of revenues	45	555	160	268	489	238	251
Selling expenses	25	231	142	323	595	295	338
General and administrative expenses	530	5,068	1,915	2,126	3,056	1,480	1,228

(1) Marketing services include related-party amounts of nil and US$375,000 in the six months ended June 30, 2009 and 2010, respectively, relating to marketing services provided to the Hainan property developer that was the subject of the Dong Fang Xi Mei commitment deposit described in the section entitled “Certain Relationships and Related Party Transactions—Related Party Loans and Other Payments.” See note 10 to the unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

(2) Interest income includes related party amounts of nil, nil, nil, nil, US$85,000, nil and US$305,000 in 2005, 2006, 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, respectively.

(3) Income per ordinary share (diluted) and income per ADS (diluted) for each year from 2007 to 2009 and the six months ended June 30, 2009 and 2010 have been computed, after considering the dilutive effect of the shares underlying employees' share options and, as applicable, preferred shares.

	As of December 31,					As of June 30,
	2005	2006	2007	2008	2009	2010
	(US$ in thousands)					
Consolidated balance sheet data						
Total current assets	18,873	31,779	63,557	102,861	149,224	176,745
Total assets	19,917	33,057	66,757	107,246	154,494	185,079
Total current liabilities	10,445	22,092	75,343	79,867	124,306	132,187
Total liabilities	10,445	22,652	82,047	93,858	129,993	141,628
Total SouFun Holdings Limited's equity	(72,512)	10,391	(15,429)	13,283	24,438	43,399
Non-controlling interests	—	14	139	105	63	52
Total shareholders' equity	(72,512)	10,405	(15,290)	13,388	24,501	43,451
Total liabilities, preferred shares and shareholders' equity	19,917	33,057	66,757	107,246	154,494	185,079

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
			(US$ in thousands)		
Consolidated cash flow data					
Net cash generated from operating activities	30,493	44,568	65,966	24,005	18,198
Net cash (used in) generated from investing activities	(7,596)	(2,598)	(12,034)	8,927	(5,600)
Net cash used in financing activities	(2,647)	(16,210)	(24,789)	(24,241)	—
Net increase in cash and cash equivalents	21,774	28,954	29,218	8,713	13,129
Cash and cash equivalents at beginning of year/period	12,294	34,068	63,022	63,022	92,239
Cash and cash equivalents at end of year/period	34,068	63,022	92,240	71,735	105,368

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 our consolidated financial statements and the related notes included elsewhere in this prospectus. Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. For additional information regarding these risks and uncertainties, please see "Risk Factors."

OVERVIEW

We operate the leading real estate Internet portal in China in terms of the number of page views and visitors to our website in 2009, according to a report issued in March 2010 by DCCI, an independent market research institution, commissioned by us. We are also a leading home furnishing and improvement website in terms of unique visitors according to research from CR-Nielsen, an independent market research firm, commissioned by us. According to a report issued in March 2010 by CR-Nielsen, our website, *www.soufun.com*, had a 46.3% market share of the online real estate advertising market in China in 2009 by estimated revenues. Through our website, we provide marketing, listing and other value-added services and products for China's fast-growing real estate and home furnishing and improvement sectors. Our user-friendly website supports an active online community and network of users seeking information on, and other value-added services and products for, the real estate and home furnishing and improvement sectors in China. Our current and forthcoming service offerings include:

- *Marketing services:* We offer marketing services on our website, mainly through advertisements, to real estate developers in the marketing phase of new property developments, as well as to real estate agencies and other home-related vendors who wish to promote their products and services, including home furnishing and improvement products and services, furniture, electronics and other products. We also intend to integrate paid priority placement of customer links in keyword search results into our current search and search ranking services. The substantial majority of our revenues are derived from marketing services;
- *Listing services:* We offer basic and special listing services. Basic listings services are mainly offered to real estate agents, brokers, property developers, property owners and managers and providers of home furnishing and improvement products and services, and allow them to post information on properties, home furnishing and improvement and other related products and services on our website. Special listings consist of a customized marketing program primarily involving the coordination and promotion of offline themed events; and
- *Other value-added services and products:* We offer subscription-based access to our information database, research reports and "total web solution" services, which integrate our customers' services and products into our websites, and also include website design services.

In 2007, 2008, 2009 and the six months ended June 30, 2010, we had revenues of US$57.9 million, US$104.1 million, US$127.0 million and US$68.2 million, respectively. During the same periods, our net income attributable to our shareholders was US$12.2 million, US$23.4 million, US$52.7 million and US$5.3 million, respectively. Marketing, listing and other value-added services and products accounted for 80.6%, 13.8% and 5.6%, respectively, of our revenues in 2009 and 66.9%, 20.5% and 12.6%, respectively, of our revenues in the six months ended June 30, 2010. According to CR-Nielsen, in 2008 and 2009, our website, *www.soufun.com,* received a weekly average of over 8.2 million and 9.8 million unique visitors, respectively,

and generated a weekly average of over 12.0 million and 12.3 million website visits, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Continued economic growth in China and in the PRC real estate market

We conduct substantially all of our business and operations in China. Accordingly, our results of operations have been, and are expected to continue to be, affected by the general performance of China's economy. As a leading real estate and home furnishing and improvement Internet portal, our financial results have also been, and are expected to continue to be, affected by the performance of the real estate and home furnishing and improvement sectors in China. In particular, our new home business, which accounted for 69.2%, 73.3%, 69.7%, 72.2% and 57.4% of our total revenues in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, respectively, could be materially and adversely affected by a contraction or slowdown in growth in the real estate-related industry nationwide, or in specific regions in China. In recent years, China's real estate sector has experienced rapid growth marked by periods of volatility and price fluctuations, which have impacted transaction volumes from time to time. With increased competition and higher transaction volumes in China's real estate and home furnishing and improvement markets, we believe demand for online marketing and online listing services will continue to increase. Moreover, we believe periodic short-term slowdowns in these industries could encourage property developers, brokers and other market participants to temporarily increase their selling and distribution efforts and online advertising budgets in an effort to promote their properties and services in a cost-efficient manner. However, our results of operations could be materially and adversely affected by a contraction or slowdown in growth in the real estate or home furnishing and improvement industries nationwide.

Growth in China's Internet and online marketing sectors

We are an Internet portal company and a significant portion of our revenues is generated from our marketing services. As such, our results of operations are heavily dependent on the successful and continued development of China's Internet and online marketing sectors. The Internet has emerged as an increasingly attractive and cost-effective advertising channel in China, especially as the number of Internet users, disposable income of urban households and network infrastructure in China have increased. As a result of increasing Internet usage in China, we anticipate demand for online marketing in China will continue to grow as businesses in China increasingly adopt online marketing initiatives to promote their brands, products and services. We expect to continue to derive a significant portion of our revenues from marketing services.

Increasing competition in China's online real estate and home furnishing and improvement Internet services

We face competition from other companies in each of our primary business activities. In particular, the online real estate and home furnishing and improvement Internet service market in China has become increasingly competitive, and such competition may continue to increase 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 their operations. We expect additional companies to enter the online real estate and home furnishing and improvement Internet service industry in China and a wider range of online real estate and home furnishing and improvement Internet services to be introduced. These factors could place significant pressure on our ability to retain existing customers and attract new customers, which could reduce our revenues, increase our costs and otherwise affect our profitability. To maintain our competitive position in the online real estate and home furnishing and

improvement Internet service industry, we may incur substantial expenses in our efforts to develop and introduce new features, functions or services. Although we believe we offer significant training and advancement opportunities to our employees, as a result of such competition, we may need to offer higher compensation and other benefits in order to attract and retain quality personnel in the future.

Performance of certain geographic areas and urban centers in China

A substantial portion of our revenues is concentrated in four of China's major urban centers, Beijing, Shanghai, Shenzhen and Guangzhou. In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, we had US$37.1 million, US$54.6 million, US$72.9 million, US$19.4 million and US$37.9 million, respectively, or 64.1%, 52.4%, 57.4%, 52.4% and 55.5%, respectively, of our revenues generated from these four urban centers. In particular, in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, Beijing and Shanghai, in aggregate, accounted for US$29.3 million, US$43.7 million, US$60.5 million, US$15.2 million and US$29.4 million, respectively, or 50.6%, 42.0%, 47.6%, 41.3% and 43.1%, respectively, of our revenues. Although our percentage of revenues from these four urban centers has decreased as we expanded our operations elsewhere in China, we expect these four urban centers to continue to represent a significant portion of our revenues in the near term. If any of these major urban centers experiences a serious economic downturn, contraction or slowing of growth due to regional events, PRC government policies or otherwise, demand for our services could decline significantly and our revenues and profitability could be materially impacted. In addition, as of June 30, 2010, we had established real estate-related content, search services, marketing and listing coverage of 106 cities across China, and intend to grow our business by rolling out our full suite of services, including for our secondary and rental properties and home furnishing and improvement businesses, from the current 39 cities where we provide all services, to the remaining 67 cities across China where we offer primarily real estate-related content coverage through our localized website portals. We also plan to expand into new geographic areas and sectors. The financial performance of newly penetrated cities will have a substantial impact on our results of operations as we expand into new markets, as we may incur significant additional operating expenses, including hiring new sales and other personnel, in order to expand our operations.

PRC regulations affecting the Internet, online marketing and real estate industries

The PRC government regulates the Internet, online marketing and real estate industries in China extensively. PRC laws, rules and regulations cover virtually every aspect of these industries, including entry into the industry, the scope of permissible business activities and foreign investment. The PRC government also exerts considerable direct and indirect influence over these industries by imposing industry policies and other economic measures. Many of these regulations have recently been implemented and are expected to be refined and adjusted over time. Moreover, the PRC government regulates interest rates, real estate transaction taxes and the acquisition and ownership of real estate. It also regulates Internet access and the distribution of news, information or other content, as well as products and services, through the Internet. The PRC government also levies business taxes, surcharges and cultural construction fees on advertising-related sales in China, such as sales of our marketing, listing and other value-added services. In addition, because certain of our PRC subsidiaries and consolidated controlled entities currently qualify as "high and new technology enterprises strongly supported by the state," they enjoy tax holidays from the relevant PRC tax authorities or under local governmental policies. If we were to lose such preferential tax treatment, we would be subject to a higher enterprise income tax rate, which would have a material and adverse effect on our financial condition, results of operations and profitability. See "Regulation." Political, economic and social factors may also lead to further policy refinement and adjustments. 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.

Demand for home furnishing and improvement information

As China's real estate market has expanded and matured, the ancillary home furnishing and improvement industry has responded to meet rising consumer demand. Similarly, we have expanded our marketing and listing services to suppliers of home furnishing and improvement products and services. We have also expanded information and content on our website relating to home furnishing and improvement to improve the attractiveness of our website as an advertising platform for such suppliers. Property developers in China typically deliver new residential properties in the form of unfurnished units. As a result, we believe there is a high demand in China for a comprehensive and centralized platform providing information regarding contractors, designers, architects, suppliers of building materials and other vendors of home furnishing and improvement products and services. By adding this category of advertisers, we have been able to expand our sources of marketing and listing service revenues and, accordingly, expect our revenue growth to benefit from the continued growth of China's home furnishing and improvement sectors.

BASIS OF PRESENTATION

To comply with applicable PRC laws, rules and regulations restricting foreign ownership of companies that operate Internet content provision and online advertising services, we operate our website and provide such services in China through contractual arrangements with our consolidated controlled entities. The equity interests of the consolidated controlled entities are held directly or indirectly by Mr. Mo, our founder and executive chairman, and Mr. Dai, our president and chief executive officer, but the effective control of the consolidated controlled entities has been transferred to us through a series of Structure Contracts. We have funded these consolidated controlled entities' paid-in capital by extending loans to Mr. Mo and Mr. Dai. Pursuant to the terms of the Structure Contracts, we are obligated to bear substantially all of the risk of losses from our consolidated controlled entities' activities and are entitled to receive substantially all of their profits, if any. See "Our History and Corporate Structure—Structure Contracts" and notes 1 and 2 to our consolidated financial statements included elsewhere in this prospectus.

Based on these Structure Contracts, we believe that, notwithstanding our lack of equity ownership, the arrangements provide us with effective control over our consolidated controlled entities. Accordingly, the financial results of these entities are included in our consolidated financial statements.

We refer to our consolidated controlled entities as PRC entities we control through contractual arrangements, or PRC Domestic Entities, in our consolidated financial statements and related notes included elsewhere in this prospectus.

CRITICAL ACCOUNTING POLICIES

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosure of contingent assets and liabilities on the date of each set of financial statements and the reported amounts of revenues and expenses during each financial reporting period. 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 and assumptions is an integral component of the financial reporting process, actual results could differ from those estimates and assumptions.

An accounting policy is considered to be 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 periodically could materially impact the consolidated financial statements. We believe the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements. The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included elsewhere in this prospectus.

Revenue Recognition

We recognize revenues only when there is (i) persuasive evidence of an arrangement; (ii) the sales price is fixed or determinable; (iii) delivery of services has occurred; and (iv) collectability is reasonably assured. We derive revenues from the provision of marketing, listing and other value-added services and products. To the extent that our revenues consist of multiple deliverables, we will recognize such revenues in accordance with applicable accounting policies. Our revenues are recognized on the following bases:

Marketing Services

We offer marketing services on our website, primarily in the form of banner advertisements, floating links, logos and other media insertions. We offer these services to real estate developers and home furnishing and improvement product and service providers, which allows such advertisers to place advertisements on particular areas of our website, in various particular formats and over particular periods of time. Written contracts, containing all significant terms and signed by us and our customers, provide persuasive evidence of the arrangements. These contracts do not contain any specific performance, cancellation, termination or refund provisions.

The service fees are negotiated between us and our customers, but once a fee is agreed to and the written contract is signed by both parties, the fee is fixed and is not subject to change. The service fee is due and payable in installments over the service period. Historically, the service fees have varied widely for marketing services and such variation exists even when the same services are provided in the same location of our website and for the same service duration. The marketing services typically last from several days to one year. Delivery of the service occurs upon displaying the agreed service on our websites over the specified service period. We perform credit assessments on our customers prior to signing the written contract to ensure that collectability is reasonably assured. Revenue is recognized ratably over the contract period, when there is persuasive evidence of an arrangement, the fee is fixed or determinable and collection is reasonably assured, as prescribed by ASC 605-10 “Revenue Recognition: Overall.”

For certain arrangements, we provide customers with marketing services that contain multiple deliverables (e.g., advertisements in different formats to be delivered over different periods of time). Since we sell our marketing services in a broad price range, there is a lack of objective and reliable evidence of fair value for each deliverable included in the arrangement. Accordingly, a combined unit of accounting is used pursuant to ASC 605-25 “Revenue Recognition—Multiple Element Arrangements” and such revenues are recognized ratably over the performance period of the last deliverable in the arrangement.

Listing Services

Listing services comprise basic listing and special listing services. We offer our basic or special listing services to agents, brokers, property developers, property owners, property

managers and others seeking to sell or rent new or secondary residential and commercial properties.

Basic Listing Services. Basic listings entitle our customers to posting information for properties, home furnishing and improvement and other related products and services in a particular area on our website, typically ranging from one to 36 months, in exchange for a fixed fee. Written contracts, containing all significant terms and signed by us and our customers, provide persuasive evidence of the arrangements. The amount of fees to be paid is not subject to change once the contract has been signed. The contracts do not contain any specific performance, cancellation, termination or refund provisions. Delivery of services occurs by allowing customers to post listings on our website over the specified listing period. We perform credit assessments of our customers prior to signing the written contract to ensure that collectability is reasonably assured. In accordance with ASC 605-25, revenue is recognized ratably over the duration of the service period when the basic listing services are being delivered.

Special Listing Services. Special listing services are multiple element arrangements, which consist of website listing services and coordination of offline promotional themed events, such as physical forum discussions or a banquet gathering, each with the special listing as the theme, and allow our customers to promote their products or services to a live audience. These services comprising our special listing services are not sold separately and are always sold together in a package as our special listing services. Written contracts, containing all significant terms and signed by us and our customers, provide persuasive evidence of the arrangements. The amount of fees to be paid is not subject to change once the contract has been signed. The contracts do not contain any specific performance, cancellation, termination or refund provisions. Delivery of services is attained by allowing customers to post listings on our website over the specified listing period. We perform credit assessments of our customers prior to signing the written contract to ensure collectability is reasonably assured. We are unable to determine the fair value of these services separately since these services are not sold on a standalone basis. Accordingly, a combined unit of accounting is used pursuant to ASC 605-25 whereby revenue is recognized upon delivery of the final deliverable, which is ratably over the duration of the special listing service period.

Other Value-added Services and Products

We began providing marketing services to home furnishing and improvement vendors in exchange for prepaid cards issued by these vendors. The significant terms of these transactions are stated in written contracts which are signed by us and the customers. The prepaid cards contain monetary values of varying denominations from RMB20 to RMB2,000 that can be used to purchase certain products from the vendors' specified stores. The prepaid cards are not redeemable for cash from the vendors. We sell the prepaid cards, typically at a discount to their stated monetary value, to external parties. The exchange of marketing services for prepaid cards is accounted for in accordance with ASC 845 "Non-monetary Transactions." In accordance with ASC 845-10-30, the non-monetary transaction is measured based on fair value of the assets (or services) involved. The fair value of the services to be provided is not determinable within a reasonable range because the service fees received have historically varied widely. The fair value of the prepaid cards is determined by reference to the historical cash proceeds received upon the sale of such cards to customers. We reassess this fair value estimate periodically to reflect changes experienced in the selling prices of the prepaid cards. Service revenue from this exchange is measured based on the fair value of the prepaid cards received and is recognized in accordance with the revenue model stated above in "—Marketing Services." Revenue from sales of prepaid cards is recognized when the prepaid cards are delivered to the customers and cash is received.

Revenues from other value-added services and products include subscription fees for access to our information database, research reports and indices and total web solution services. Revenues derived from subscription services for access to our information database are primarily recognized ratably over the subscription period. Revenues derived from research services are recognized when the relevant services are completed. Research report services are generally performed over a period of less than six months. Total web solution services may be provided on a complimentary basis in conjunction with marketing services and are usually performed over a period of less than three months.

Beginning in 2009, we began providing marketing services to home furnishing and improvement vendors in exchange for prepaid cards issued by such vendors. The prepaid cards contain monetary value in denominations varying from RMB20 to RMB2,000 that may only be used to purchase certain products from the vendors' specified stores and are not redeemable for cash. We sell the prepaid cards, typically at a discount to their stated monetary value, to external parties. The exchange of marketing services for prepaid cards is accounted for in accordance with ASC 845, "Non-monetary Transactions." Service revenue from this exchange is measured based on the fair value of the prepaid cards received and is recognized in accordance with the revenue model stated above in "—Marketing Services." The fair value of the prepaid cards is estimated based on the range of actual selling prices achieved by us and management's assessment of the future demand for prepaid cards. We reassess our fair value estimate periodically to reflect changes experienced in the selling prices of the prepaid cards. Revenue from tangible products is recognized when the four criteria for revenue recognition are met, which coincides with the delivery of the prepaid cards to the customers. We discontinued the acceptance of prepaid cards in exchange for our marketing services in July 2010. We expect to sell all the remaining prepaid cards by the end of 2010.

Accounts Receivable and Allowance for Doubtful Accounts

We consider many factors in assessing the collectability of receivables due from our customers, such as the age of the amounts due, the customer's payment history and the customer's credit worthiness. An allowance for doubtful accounts is recorded in the period in which uncollectability is determined to be probable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators of probability that an account receivable will be uncollectable. In subsequent periods when all collection efforts have been exhausted, the uncollectable account receivable is written off against our allowance for doubtful accounts. Where the actual outcome or expectation in the future is different from the original estimate, such differences will have an impact on the carrying amounts of the accounts receivable and the allowance loss in the period in which such estimate has been changed.

Share-based Compensation Costs

We granted share options to our employees and directors from 1999 to 2009. We conditioned our grant of share options to employees mainly upon satisfaction of specified service vesting conditions. Significant management judgment is required to determine whether a share option should be classified and accounted for as a liability award or an equity award, in adopting a fair value-based method of measuring the compensation expenses and taking into account the vesting conditions.

We account for share-based awards granted to employees under ASC 718, "Compensation—Stock Compensation: Overall," using the modified-prospective transition approach since January 1, 2006. We had previously accounted for share-based compensation arrangements with employees in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees and Related Interpretations Thereof", or APB 25. We continue to account for the remaining unvested share options that were granted

prior to the adoption of ASC 718 under APB 25. In accordance with ASC 718, we determine whether a share option should be classified and accounted for as a liability award or an 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, which are calculated using the Binomial Option Pricing Model. All grants of share-based awards to employees and directors classified as liability awards are re-measured at the end of each reporting period with an adjustment for fair value recorded to the current period expense in order to properly reflect the cumulative expense based on the current fair value of the rewards until such rewards are settled.

For both equity and liability awards, we have elected to recognize compensation expense using either the accelerated method or the straight-line method for all share options granted with graded vesting based on service conditions. 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 subsequent periods if actual forfeitures differ from initial estimates. 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. We engaged an independent valuer, Jones Lang LaSalle Sallmanns Limited, or Jones Lang LaSalle Sallmanns, to perform an appraisal of the fair value for the ordinary shares underlying the options.

We have applied the income approach when determining the fair value of our ordinary shares. The income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the asset than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar asset with a similar risk profile.

The fair value of our ordinary shares was developed through the application of the income approach technique known as the discounted cash flow method. This method eliminates the discrepancy in the time value of money by using a discount rate to reflect all business risks, including intrinsic and extrinsic uncertainties, in relation to us.

Under this method, value depends on the present worth of future economic benefits to be derived from the projected sales income. Indications of value have been developed by discounting projected future net cash flows available for payment of shareholders' interest to their present worth at discount rates for the risks of the business.

When estimating the fair value of our equity awards granted in 2007, 2008, 2009, our management used the Binomial Option Pricing Model and made the following assumptions:

- a risk-free interest rate of 3.61%, 1.69% and 3.39% in 2007, 2008 and 2009, respectively;
- an expected dividend yield of 0%, 1% and 0% in 2007, 2008 and 2009, respectively;
- an expected volatility range of 53.20%, 77.67% and 36.03% in 2007, 2008 and 2009, respectively; and
- a weighted average expected life of 4.45 years, 3.59 years and 6.32 years in 2007, 2008 and 2009, respectively.

The volatility assumption was estimated based on the price volatility of the shares of comparable companies in the Internet media business because we were not a public company at the grant dates and consequently did not have data to calculate expected volatility of the price of the underlying ordinary shares over the expected term of the options. The expected term was estimated based on the resulting output of the Binomial Option Pricing Model. The risk-free rate was based on the market yield of U.S. Treasury bonds and notes with maturity terms equal to the expected term of the option awards. Forfeitures were estimated based on

historical experience. The suboptimal exercise factor of 1.5 is based on external consultant's research on the early exercise behavior of employees with share options.

When estimating the fair value of the liability awards for 2007, 2008 and 2009 and the six months ended June 30, 2009 and 2010, our management used the Binomial Option Pricing Model and made the following assumptions:

- a risk-free interest rate of 3.24-3.44%, 1.14-3.39% and 1.75-2.52% in 2007, 2008 and 2009 and 1.62%-1.95% and 1.70%-2.65% in the six months ended June 30, 2009 and 2010, respectively;
- an expected dividend yield of 0%, 1% and 0% in 2007, 2008 and 2009 and 0% and 0% in the six months ended June 30, 2009 and 2010, respectively;
- an expected volatility range of 53.20%, 77.67% and 36.03% in 2007, 2008 and 2009 and 51.91% and 39.82% in the six months ended June 30, 2009 and 2010, respectively; and
- a weighted average expected life of 0 year in each of 2007, 2008 and 2009 and 0 year in the six months ended June 30, 2009 and 2010, respectively.

The fair value of options granted in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010 determined using the Binomial Option Pricing Model was approximately US$2.8 million, US$3.7 million, US$2.0 million, nil and US$83,625, respectively, and resulted in a share-based compensation cost of approximately US$2.2 million, US$2.7 million, US$4.1 million, US$2.0 million and US$1.8 million, respectively, for the same periods.

Determining the fair value of the ordinary shares requires making complex and subjective judgments regarding projected financial and operating results, our unique business risks, the liquidity of our ordinary shares and our operating history and prospects at the time of grant. The assumptions used in deriving the fair values were consistent with our business plan. These assumptions included:

- No material changes in the existing political, legal, fiscal and economic conditions in China;
- No major changes in the tax rates applicable to our subsidiaries and consolidated controlled entities in China;
- Our ability to retain competent management, key personnel and technical staff to support our ongoing operations; and
- No material deviation in industry trends and market conditions from economic forecasts.

These assumptions were inherently uncertain. The risks associated with achieving our forecasts were assessed in selecting the appropriate discount rates under the income approach. If different discount rates had been used, the valuations would have been different and the amount of share-based compensation would also have been different because the fair value of the underlying ordinary shares for the options granted would have been different.

You may find additional information on our stock incentive plans as well as our options granted as of the date of this prospectus in the section entitled "Management —Share Options."

December 31, 2009 Grant

In December 2009, we granted the following share options to our employees. These share options were special options whereby two such special options are entitled to purchase one ordinary share.

Grant date	December 31, 2009
Grantees	Employees
Number of options granted	1,033,654
Exercise price per ordinary share	US$10.00
Vesting schedule	
December 31, 2010	10.0%
December 31, 2011	20.0%
December 31, 2012	40.0%
December 31, 2013	30.0%
Estimated fair value of ordinary share at grant date	US$6.73
Estimated fair value of options per ordinary share at grant date	US$1.95
Total amount of compensation cost to be recognized during vesting period	US$2,020,497
Total amount recognized as expense in 2009	Nil
Total amount recognized as expense as of June 30, 2010	US$249,819

In the assessment of the fair value of our ordinary shares underlying the options granted on December 31, 2009, Jones Lang LaSalle Sallmanns used the income approach to derive the fair value of our ordinary shares.

Under the income approach, value depends on the present worth of future economic benefits to be derived from the projected income. Indications of value were developed by discounting projected future net cash flows available for shareholders to their present worth at discount rates which, in the opinion of Jones Lang LaSalle Sallmanns, were appropriate for the risks associated with our business. For the income approach, Jones Lang LaSalle Sallmanns utilized our projected cash flows through 2015. In considering the appropriate discount rates to be applied, Jones Lang LaSalle Sallmanns took into account a number of factors including the then current cost of capital and the risks inherent in our business, such as risks associated with the implementation of our business plan and strategies and the risks and uncertainties inherent in the development of our business as of the grant date. Jones Lang LaSalle Sallmanns used a weighted average cost of capital, or WACC, of 15.0%.

April 2010 Grant

In April 2010, we granted the following share options to our significant shareholder, Telstra International. These share options were special options whereby two such special options are entitled to purchase one ordinary share.

Grant date	April 20, 2010
Grantee	Telstra International
Number of options granted	37,500
Exercise price per ordinary share	US$10.00
Vesting schedule	
April 20, 2011	10.0%
April 20, 2012	20.0%
April 20, 2013	40.0%
April 20, 2014	30.0%
Estimated fair value of ordinary share at grant date	US$6.90
Estimated fair value of options per ordinary share at grant date	US$2.22
Total amount of compensation cost to be recognized during vesting period	US$83,611
Total amount recognized as expense as of June 30, 2010	US$4,059

Significant Factors Contributing to the Difference between Fair Values as of the Date of Each Grant

In April 2010, we concluded that the fair value of our ordinary shares was US$6.90 per ordinary share for our April 20, 2010 option grants. The fair value of our ordinary shares increased from US$6.73 per ordinary share for the December 2009 option grants to US$6.90 per ordinary share for the April 20, 2010 option grants. The relatively modest increase in fair value over this period was primarily attributable to our view of the potential impact of nationwide tightening measures announced by the PRC government in April 2010 that were targeted at the PRC property market, such as restrictions on the provision of loans for buyers upon their third or subsequent homes, raising the minimum down-payment to 50% for purchasers of their second homes and to 30% for purchasers of their first residential properties exceeding specified GFAs, and restricting the ability of developers to finance properties through pre-sales. These measures have negatively affected market sentiment about property markets by creating an expectation of price drops, which has in turn caused a reduction in transaction volume. These measures and the corresponding drop in transaction volume have affected most of the cities in which we operate, especially Beijing, Shanghai, Shenzhen and Guangzhou where we have substantial operations. However, because of measures we have taken, such as devoting additional resources to customer support and brand promotion, and by taking advantage of the increased need of our customers in online marketing when the overall property market sentiment is low, we have been able to maintain revenue and profit growth and avoid a severe negative impact on our business.

We believe that the increase in the fair value of our ordinary shares from US$6.90 per ordinary share as of April 2010 to US$10.38 per ordinary share, corresponding to the mid-point of the estimated public offering price range set forth on the front cover of this prospectus, was attributable to the following significant factors and events during the period:

- the significant increase in our revenues and operating income in the six months ended June 30, 2010 compared to the same period in 2009, which exceeded our forecasts for our business performance and results of operations;

- the continued growth in our financial results despite the tightening measures announced by the PRC government in April 2010 that were targeted at the PRC property market;
- the strengthening of our sales and marketing team and our editorial and production team through hiring additional personnel;
- the enhancement of our internal control system through (i) the recent hiring of three accountants who are U.S. GAAP-accredited, (ii) the expected appointment of three independent directors to our board of directors, including an independent director who meets the criteria of an audit committee financial expert, (iii) the employment of three internal auditors, and (iv) the creation of a five-member compliance team to be responsible for annual review of our policies and procedures relating to internal control over financial reporting and regularly reviewing and updating internal control documents;
- China's economy continuing to show robust growth during this period, which was evidenced by a number of indicators, including accelerating annualized quarter-over-quarter GDP growth in the second quarter of 2010; and
- the completion of this offering, which will result in the increased liquidity and marketability of our ordinary shares.

The intrinsic value of outstanding vested and unvested options as of June 30, 2010 based on an initial public offering price of US$10.38 per ordinary share, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, is approximately US$65.7 million.

The determination of the fair value of share options on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of complex and subjective variables, including our expected stock price volatility over the vesting period, risk-free interest rate, expected dividend yield, and actual and projected employee stock option exercise behavior. Furthermore, we are required to estimate forfeitures at the time of the grant and recognize share-based compensation expenses only for those awards that are expected to vest. If actual forfeitures differ from those estimates, we may need to revise those estimates used in subsequent periods.

Income Taxes and Deferred Tax Assets

We follow the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. We record a valuation allowance to offset deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred taxes of a change in the tax rate is recognized as tax expense in the period that includes the enactment date of the change in the tax rate.

On January 1, 2007, we adopted ASC 740-10, "Income Taxes: Overall," to account for uncertainties in income taxes. Interest and penalties arising from underpayment of income taxes are computed in accordance with the related PRC tax law. The amount of interest expense is computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Interest and penalties recognized in accordance with ASC 740-10 are classified in the consolidated statements of operations as income tax expense.

In accordance with the provisions of ASC 740-10, we recognize in our financial statements the impact of a tax position if a tax return position or future tax position is more likely than not to prevail based on the facts and technical merits of the position. Tax positions that meet the

more-likely-than-not recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. Our estimated liability for unrecognized tax benefits which is included in the “accrued expenses and other liabilities” account is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits and expiration of the statute of limitations. The outcome for a particular audit cannot be determined with certainty prior to the conclusion of the audit and, in some cases, the appeal or litigation process. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, adjustments, if any, are recorded in our financial statements. In addition, in future periods, changes in facts, circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The net carrying value of deferred tax assets relating to recognized tax losses was US$715,000, US$507,000 and US$357,000 as of December 31, 2008, 2009 and June 30, 2010, respectively.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Prior to this offering, we were a private company with limited resources for maintaining our internal control over financial reporting. Prior to 2006, we had an audit committee in place to assist us in the oversight of our financial reporting process, as well as a nominating and corporate governance committee and a compensation committee. In 2006, our board of directors resumed direct oversight and responsibility for the functions that had been delegated to these committees. In 2010, in connection with this offering, we engaged Union Strength to assess the effectiveness of our internal control over financial reporting and to make recommendations on our internal control over financial reporting, in preparation for our future compliance with the requirements of Sarbanes-Oxley. Based on the assessment set forth in Union Strength's May 31, 2010 report, we have made efforts, and are continuing to take measures, to:

- improve the effectiveness of our entity-wide internal control over financial reporting, including strengthening our corporate governance structure by establishing an audit committee, an effective internal audit function, a code of conduct, anti-fraud policies, a whistle-blower system, employee complaint handling procedures for accounting and auditing matters and procedures for the authorization and approval of related-party transactions;
- improve our processes and controls, including the strengthening of our procedures on the preparation, review, approval and disclosure of financial reports in preparation for becoming a listed company, the increase in the number of financial staff with relevant accounting knowledge and experience with U.S. GAAP, improvements and regular updating of documentation of our processes and controls, such as accounting manuals and creation of policies on the maintenance and custody of written and electronic control evidence, such as working papers and supporting documents; and
- improve our IT controls, including the creation of formal access controls over the opening, cancellation and authorization of an account in our application systems, improved management of important application systems and segregation of our accounting responsibility and financial software system administration.

In April 2010, in connection with the audit of our financial statements included in this prospectus, Ernst & Young Hua Ming identified the following material weaknesses: (1) Ernst & Young Hua Ming noted that we did not have sufficient accounting personnel with an appropriate level of knowledge, experience and training in U.S. GAAP and SEC reporting matters to properly identify, analyze and conclude on accounting issues and to prepare financial statements in accordance with U.S. GAAP and SEC reporting requirements; and (2) Ernst & Young Hua Ming noted that we did not establish or maintain an effective independent oversight function, such as an independent audit committee, to fulfill the required oversight function of monitoring and evaluating the independent auditors, our financial performance, the transparency of our financial disclosures and the effectiveness of our internal controls, accounting policies and procedures. Ernst & Young Hua Ming has also identified the following deficiencies in our internal control over financial reporting: (i) a lack of formal documentation on transfer pricing policy; (ii) a lack of a comprehensive computerized system to track operating data and integrate with the accounting system on a timely basis; and (iii) an ineffective IT control environment for accounting and key business systems.

With the assistance of Union Strength, we have implemented or are in the process of implementing improvements and remedial measures in response to these assessments and recommendations. We:

- will appoint three independent directors to our board of directors and established an audit committee, which will be effective upon closing of this offering. Our audit committee will be composed of the three independent directors;
- strengthened our internal audit team by employing three internal auditors in 2010 and ensuring that our internal audit team will directly report to our audit committee;
- amended our current code of conduct and code of ethics, in accordance with the requirements of Sarbanes-Oxley, which will set forth our anti-fraud policies and create a whistle-blower system for handling employee complaints. We will distribute such policies to all employees through training and written acknowledgements;
- assembled a five-member team from our finance department to be responsible for the preparation of financial statements under U.S. GAAP. We hired three accountants, two of whom are U.S. GAAP-accredited with the knowledge and experience in the preparation of financial statements in accordance with U.S. GAAP, to join our finance department;
- set up an integrated financial reporting process, including procedures on the preparation, review, approval and disclosure of financial reports;
- intend to organize quarterly training sessions on U.S. GAAP for our finance department in the form of workshops, seminars and newsletters as well as requiring our finance personnel to participate in annual in-house or public U.S. GAAP training courses;
- set up a compliance team consisting of five people selected from our finance, internal audit, operations, IT and human resources departments, which will be responsible for reviewing our policies and procedures relating to internal control over financial reporting on an annual basis and regularly reviewing and updating internal control documents;
- established a custody policy for the retention of key control documentation, which will be distributed to all employees and be subject to periodic compliance tests by our internal audit department;
- strengthened checking procedures between our operating data and the data in our accounting system, which will be implemented on a monthly basis;
- established access authority management and IT system account management policies and began to require appropriate internal approvals before the opening of any accounts.

In addition, our system administrator will periodically send a list of users' access authority to the relevant departments for review and confirmation and will work with our human resources department to periodically update account access for any movements in employees;

- adopted an IT emergency management and reporting policy, including reporting procedures and documentation required to be logged upon the occurrence of an IT accident and established two separate systems to achieve (i) close monitoring of important application systems and (ii) timely documentation of the results of system inspection. The system administrator will also periodically inspect such information in the system log files and document the results of such inspection for our records; and
- appointed IT personnel to administer our financial software system to segregate the responsibilities relating to business operations and the administration of our IT system.

We have also developed a process to present related-party transactions to the audit committee for approval. We are working to implement these measures during 2010, although we cannot assure you that we will complete such implementation in a timely manner.

Upon the completion of this offering, we will become a public company in the United States that will be subject to Sarbanes-Oxley. Section 404 of Sarbanes-Oxley and applicable rules and regulations thereunder will require that we include a report of management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2011. In addition, our independent registered public accounting firm must report on the effectiveness of our internal control over financial reporting. For risks relating to internal control over financial reporting, see "Risk Factors—Risks Relating to Our Business —We have experienced problems with our internal control over financial reporting in the past. If we fail to develop and maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs." Although we will bear the costs relating to the implementation of the improvements and remedial measures with the assistance of Union Strength as described above, we do not expect the costs involved in our efforts to improve our internal control over financial reporting to have a material impact on our results of operations in future periods.

CHANGE IN REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM

In March 2004, we engaged the 2004 accounting firm to audit our consolidated financial statements in preparation for a proposed initial public offering. In November 2004, during the course of their audit of the nine-month period ended September 30, 2004, our 2004 accounting firm reviewed book entries relating to certain advances to our employees totaling approximately RMB1.26 million (US$156,130) during such period that resulted in their expressing discomfort with our accounting records and systems. Our 2004 accounting firm also noted inconsistencies between the information we provided and our accounting records.

In response, our then existing audit committee held discussions with our 2004 accounting firm, our management and external advisors, and determined that the improper documentation of the advances was due to deficiencies in our internal controls and the inexperience of our financial accounting staff at the time. Our audit committee began working with our management to develop and implement a plan for resolving these deficiencies and improving our internal controls and financial and accounting resources, and also requested that our 2004 accounting firm recommence its audit work on the nine-month audit. In December 2004, our 2004 accounting firm informed our audit committee and us that it was unable to continue the nine-month audit and was resigning as our registered independent public accounting firm, citing concerns about the reliability and sufficiency of our financial reporting processes,

including our internal controls and systems, the financial information provided by our management and certain representations by our employees.

In early 2006, we engaged our 2006 accounting firm as our registered independent public accounting firm. Prior to the selection of our 2006 accounting firm, we did not consult with it regarding: (i) the application of accounting principles to any specified transaction; (ii) the type of audit opinion that might be rendered by it; or (iii) any other matter that was the subject of a disagreement between us and our prior registered independent public accounting firm. In addition, following discussions in July 2006 among us, our 2006 accounting firm and our 2004 accounting firm regarding the restatement of our 2001, 2002 and 2003 financial statements, our 2004 accounting firm notified us of their decision to withdraw their audit opinion on our financial statements for those years.

In November 2007, we terminated our working relationship with our 2006 accounting firm whom we had engaged to audit our 2004 and 2005 financial statements. In February 2008, Ernst & Young Hua Ming replaced our 2006 accounting firm. Ernst & Young Hua Ming is an affiliate of the independent auditor for Telstra International, which became our significant shareholder in August 2006. In connection with our dismissal of our 2006 accounting firm and our engagement of Ernst & Young Hua Ming, and based on our communications with our 2006 independent accounting firm and Ernst & Young Hua Ming, we do not believe any circumstances concerning the change in auditors needed to be brought to Ernst & Young Hua Ming's attention by our 2006 accounting firm.

RESULTS OF OPERATIONS

The following table sets forth selected financial data from our consolidated income statement for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2007		2008		2009		2009		2010	
	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage of revenues
	(US$ in thousands, except percentages)									
Revenues										
Marketing services (1)	46,552	80.4%	86,252	82.8%	102,367	80.6%	29,503	79.8%	45,586	66.9%
Listing services	9,885	17.1	16,070	15.4	17,559	13.8	5,398	14.6	14,006	20.5%
Other value-added services and products	1,439	2.5	1,802	1.8	7,123	5.6	2,056	5.6	8,593	12.6%
Total revenues	57,876	100.0%	104,124	100.0%	127,049	100.0%	36,957	100.0%	68,185	100.0%
Cost of revenues										
Cost of services	(12,630)	(21.8)%	(22,162)	(21.3)%	(26,484)	(20.8)%	(9,506)	(25.7)%	(18,164)	(26.6)%
Cost of other value-added services and products	—	—	—	—	(4,863)	(3.9)	(1,185)	(3.2)	(6,887)	(10.1)
Total cost of revenues	(12,630)	(21.8)%	(22,162)	(21.3)%	(31,347)	(24.7)%	(10,691)	(28.9)%	(25,051)	(36.7)%
Gross profit	45,246	78.2	81,962	78.7	95,702	75.3	26,266	71.1	43,134	63.3
Operating expenses										
Selling expenses	(13,221)	(22.8)	(18,708)	(18.0)	(25,186)	(19.8)	(9,988)	(27.0)	(16,742)	(24.6)
General and administrative expenses	(12,158)	(21.1)	(19,857)	(19.0)	(22,176)	(17.5)	(9,379)	(25.4)	(14,330)	(21.0)
Operating income	19,867	34.3	43,397	41.7	48,340	38.0	6,899	18.7	12,062	17.7
Foreign exchange gain (loss)	8	0.0	(2,826)	(2.7)	(59)	(0.0)	(17)	nil	(481)	(0.7)
Interest income (2)	707	1.2	1,221	1.2	1,205	0.9	613	1.7	1,162	1.7
Realized gain—trading securities	—	0.0	—	0.0	195	0.2	85	0.2	164	0.2
Government grant	211	0.4	360	0.3	730	0.6	336	0.9	356	0.5
Income before income tax	20,793	35.9	42,152	40.5	50,411	39.7	7,916	21.4	13,263	19.5
Income tax (expense)/benefit	(8,457)	(14.6)	(18,805)	(18.1)	2,199	1.7	(4,190)	(11.3)	(7,965)	(11.7)
Net income	12,336	21.3	23,347	22.4	52,610	41.4	3,726	10.1	5,298	7.8
Net income (loss) attributable to non- controlling interest	125	0.2	(34)	(0.0)	(42)	(0.0)	(20)	(0.1)	(11)	nil
Net income attributable to our shareholders	12,211	21.1%	23,381	22.4%	52,652	41.4%	3,746	10.1%	5,309	7.8%
Share-based compensation included in:										
Cost of revenues	160	0.3%	268	0.3%	489	0.4%	238	0.6%	251	0.4%
Selling expenses	142	0.2%	323	0.3%	595	0.5%	295	0.8%	338	0.5%
General and administrative expenses	1,915	3.3%	2,126	2.0%	3,056	2.4%	1,480	4.0%	1,228	1.8%

(1) Marketing services include related-party amounts of nil and US$375,000 in the six months ended June 30, 2009 and 2010, respectively, relating to marketing services provided to the Hainan property developer that was the subject of the Dong Fang Xi Mei commitment deposit described in the section entitled “Certain Relationships and Related Party Transactions—Related Party Loans and Other Payments.” See note 10 to the unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

(2) Interest income includes related party amounts of nil, nil, US$85,000, and US$305,000 in 2007, 2008 and 2009 and the six months ended June 30, 2009 and 2010, respectively.

Revenues

We derive our revenues from marketing, listing and other value-added services and products. We categorize our revenues in terms of three levels of cities based on size of the geographical market, the level of revenue contribution to our business and the maturity of our business operations in the cities. Level 1 cities include Beijing and Shanghai. Level 2 cities include Shenzhen, Guangzhou, Chongqing, Tianjin, Hangzhou, Wuhan, Chengdu, Suzhou and

Nanjing. Level 3 cities include all other cities in which we have content coverage and will include any new cities in which we may establish operations. Historically, we have derived a significant portion of our revenues from level 1 cities. However, as we continue to expand and grow our operations in level 2 and level 3 cities, we expect that they may contribute an increasing percentage of our revenues going forward.

Marketing Services

Our marketing service revenues consist of revenues derived from the advertising services provided by our new home, secondary and rental properties and home furnishing and improvement businesses. We target our marketing services at participants in China's real estate and home furnishing and improvement sectors, including property developers, brokers and providers of home furnishing and improvement products and services. Our marketing services include the design and deployment on our website of banners, links, logos and floating signs. Our marketing service revenues are primarily affected by the number and term of our contracts, the geographical market where our services are delivered and the package of features and services to be delivered under the contracts with our customers. Some of our marketing customers may enter into multiple contracts with us for marketing campaigns for different property developments during the course of a year and such marketing campaigns may be for different durations. Our marketing campaigns typically last from several days to more than one year with no on-going obligations once the campaign has been completed. The rates charged vary from contract to contract depending on the geographic market where the services are delivered, the package of features and services requested and the duration of the advertising campaign.

In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, revenues generated from our marketing services represented 80.4%, 82.8%, 80.6%, 79.8% and 66.9% of our revenues, respectively. We expect revenues from marketing services to continue to account for the significant majority of our revenues for the foreseeable future. We plan to launch paid search and search ranking services through our advanced search engine in 2010. Upon the launch of our paid search and search ranking services, our customers, including real estate developers, brokers and agents as well as home furnishing and improvement product and service providers, will be able to pay for priority placement of their links in keyword search results. We believe that the addition of such paid search services will be an attractive feature for our customers and provide an additional source of marketing service revenues from our customers. However, as this new service will be an additional feature to be packaged into our marketing contracts, we do not expect it to generate significant revenue or to have a significant impact on our business and results of operations in the near future.

The following table presents our marketing service revenues for each of our businesses by amount and percentage of our revenues for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2007		2008		2009		2009		2010	
	Amount	Percentage of marketing service revenues	Amount	Percentage of marketing service revenues	Amount	Percentage of marketing service revenues	Amount	Percentage of marketing service revenues	Amount	Percentage of marketing service revenues
	(US$ in thousands, except percentages)									
New home	39,188	84.2%	75,535	87.6%	87,134	85.1%	26,219	88.9%	38,721	84.9%
Secondary and rental	309	0.7	554	0.6	537	0.5	252	0.9	344	0.8
Home furnishing and improvement	7,055	15.1	10,163	11.8	14,696	14.4	3,032	10.3	6,521	14.3
Total marketing service revenues	46,552	100.0%	86,252	100.0%	102,367	100.0%	29,503	100.0%	45,586	100.0%

Our new home business accounted for 84.2%, 87.6%, 85.1%, 88.9% and 84.9% of our marketing service revenues in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, respectively. New home business primarily consists of marketing services for newly developed properties for sale. Our new home customers are largely property developers and their sales agents who are in the process of promoting newly developed properties for sale.

As part of our marketing services, we enter into web promotion and technical service contracts or Internet information release service agreements with some of our customers. Some of these service contracts were entered into with customers by SouFun Media or SouFun Network, which do not have the relevant permits or licenses to conduct online advertising services or Internet information release services in China. Historically, SouFun Media and SouFun Network's activities relating to these service contracts have been limited to entering into the service contracts, issuing invoices for services and performing technology and consulting services. All online advertising and Internet information release services in China have been and continue to be performed by our consolidated controlled entities, which have the relevant permits or licenses to operate such businesses. Due to the uncertainties in the regulation of the Internet industry in China, however, the PRC regulatory authorities have broad discretion in determining compliance with the applicable PRC laws, rules and regulations in the Internet industry in China, and may determine that SouFun Media and SouFun Network need permits or licenses to perform their obligations under such service contracts.

In order to formalize these historical arrangements, SouFun Media and SouFun Network and our consolidated controlled entities entered into intra-group memoranda of understanding in February 2008. Since the signing of such intra-group memoranda of understanding, SouFun Media and SouFun Network have substantially reduced their direct contracting for provision of online advertising and Internet information release services in China, but have not completely discontinued entering into such service contracts. As we have maintained long-term cooperation with our customers under these service contracts and because we believe the intra-group memoranda evidence our practice of having only the consolidated controlled entities with the requisite permits perform online advertising and Internet information release services, we intend to continue our performance of those web promotion and technical service and Internet information release service contracts, which expire or will be terminated on or prior to December 31, 2010. Marketing service revenues generated from SouFun Media and SouFun Network in 2009 totalled US$42.9 million, or approximately 33.8%, of our revenues in 2009. Since July 1, 2010, SouFun Media and SouFun Network have ceased entering into new, or renewing any existing, service contracts with online advertising or Internet information release components. We will endeavor to have our consolidated controlled entities re-enter into these terminated or expired contracts with our customers and, in the future, will have our consolidated controlled entities enter into all agreements relating to online advertising or Internet information release services with our customers.

Furthermore, in order to minimize any relevant legal risks inherent in these arrangements and any impact to our revenues or working relationship with these customers during this transitional period, we have been consulting with these customers since April 2010 about changing the contracting party for such services agreements and have begun training our sales personnel to explain to customers that such change would be administrative in nature and would not impact the services we provide to them. See "Risk Factors—Risks Relating to Our Business—If our PRC subsidiaries are deemed to have engaged in online advertising or Internet information release businesses without required permits or licenses, they could be subject to penalties imposed by PRC regulatory authorities." Since July 1, 2010, we have not experienced any difficulties with our customers to enter into service contracts with our consolidated controlled entities involving online advertising or Internet information release services. The services we provide have not been adversely affected by this transition since our consolidated controlled entities provide the underlying services.

Listing Services

Our listing service revenues consist of revenues derived from both basic listing services and special listing services.

Basic listing services are targeted at agents, brokers, property developers, property owners, property managers and others seeking to sell or rent new and secondary properties and allow visitors to our website to search for product suppliers and service providers in China's home furnishing and improvement sector. Revenues from basic listing services are predominantly derived from our secondary and rental business. Some of our basic listing customers may enter into contracts with us for multiple listing subscription accounts during the course of a year.

Special listing services comprise a specialized form of marketing program or event that is developed through collaboration among our research, product development and sales personnel. Special listing consists of a customized marketing program involving online placements on our website supported by additional coordinated promotion through themed events. We identify property developments with similar attributes and create a plan for collectively promoting such property developments in a "special listing," typically supported or supplemented by an offline event, such as a physical discussion forum or a banquet gathering, with the special listing as the theme. For example, the offline events we have held in the past included themed seminars on China villa developments, our top 100 PRC real estate enterprises research conference, our top 100 PRC real estate entrepreneurs summit and annual events such as PRC real estate development meetings and our China Real Estate Index System conference on the annual review of sample development projects. We provide special listing services primarily to property developers seeking to market new property developments as well as providers of home furnishing and improvement products and services. We charge fees for participating in our offline special listing events. When we plan to host a special listing event, we send invitation letters to potential participants. The participation fees we collect from such participants allow them to participate in the offline event and also to post their names in the attendee or exhibit list used to market the event.

The following table sets forth our listing service revenues by amount and percentage of our revenues for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2007		2008		2009		2009		2010	
	Amount	Percentage of listing service revenues	Amount	Percentage of listing service revenues	Amount	Percentage of listing service revenues	Amount	Percentage of listing service revenues	Amount	Percentage of listing service revenues
	(US$ in thousands, except percentages)									
Basic listing	4,924	49.8%	8,593	53.5%	11,513	65.6%	3,230	59.8%	10,649	76.0%
Special listing	4,961	50.2	7,477	46.5	6,046	34.4	2,168	40.2	3,359	24.0
Total	9,885	100.0%	16,070	100.0%	17,559	100.0%	5,398	100.0%	14,008	100.0%

In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, revenues from our listing services represented 17.1%, 15.4%, 13.8%, 14.6% and 20.5% of our revenues, respectively. In recent years, our special listing customers have been reducing the usage of our listing services while increasing the usage of our marketing services. In addition, since 2008, we began to offer free trials of our basic listing services. We expect special listing service revenues to continue to grow at a slower rate than our total revenues, depending on the perception by our customers of the effectiveness in penetrating the market through our online marketing programs vis-a-vis special listing services, although in the medium to long term we believe that listing service revenues as a whole will continue to remain a significant revenue source

and will grow as a percentage of our revenues as the secondary home market continues to grow in China, driving increased demand for our basic listing services.

Other Value-added Services and Products

We also derive revenues from other value-added services and products, including subscriptions to our information database, research reports and total web solution services. We offer certain of our customers our total web solution services on a complimentary basis in conjunction with our marketing services. With respect to our paid contracts for website design, typically, half of the fees are paid at signing and the remaining half is paid upon completion of the project.

Beginning in 2009, we also began providing marketing services to home furnishing and improvement vendors in exchange for prepaid cards issued by such vendors due to the impact of the financial crisis on the ability of our customers to pay for our services. The prepaid cards contain monetary value in denominations varying from RMB20 to RMB2,000 that can only be used to purchase certain products from the vendors' specified stores and are not redeemable for cash. We sell the prepaid cards, typically at a discount to their stated monetary value, to external parties. As of December 31, 2009 and June 30, 2010, we held 61,681 and 159,164 prepaid cards, respectively, with a face value of US$6.3 million and US$11.7 million, respectively, which will expire between April 2010 and March 2011. We discontinued the acceptance of prepaid cards in exchange for our marketing services in July 2010. We expect to sell all the remaining prepaid cards by the end of 2010.

In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, revenues from other value-added services and products represented 2.5%, 1.8%, 5.6%, 5.6% and 12.6% of our revenues, respectively.

Cost of Revenues

Our cost of revenues include cost of services and cost of other value-added services and products. Cost of services primarily consists of staff costs, business taxes and surcharges, operating lease expenses, network costs, communication expenses, share-based compensation expenses and other costs directly related to the offering of our marketing, listing and other value-added services and products. Staff costs include salary and benefits paid to members of our editorial staff, customer service personnel and personnel dedicated to servicing and designing websites for our customers. Business taxes and related surcharges are taxes, surcharges and cultural construction fees levied on advertising sales in China, which are approximately 8.5% or, in Shanghai, 9.5% of our marketing service revenues and approximately 5.5% of our listing and other value-added services and products revenues. Operating lease expenses consist primarily of rent for our various office facilities as allocated on the basis of the space occupied by our editorial staff and customer service personnel. Network costs consist of server hosting fees, bandwidth fees and related charges. China Unicom's network hosts our server network and receives hosting fees, bandwidth fees and related fees from us. Communication costs consist of telephone expenses relating to our operations. Cost of revenues also includes share-based compensation expenses in connection with stock options and other share-based compensation granted to our editorial and production staff, and business taxes and surcharges relating to technical and consulting service fees charged by our wholly-foreign-owned enterprises for services provided under our exclusive technical consultancy and services agreements with our consolidated controlled entities. Beginning in 2009, we also incurred costs of other value-added services and products relating to our sales of prepaid cards. In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, our cost of revenues represented 21.8%, 21.3%, 24.7%, 28.9% and 36.7% of our revenues, respectively. We expect our cost of revenues to continue to increase in line with any growth in our revenues.

Operating Expenses

Our operating expenses consist of selling expenses and general and administrative expenses. In 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, our operating expenses represented 43.9%, 37.0%, 37.3%, 52.4% and 45.6% of our revenues, respectively.

The following table sets forth our operating expenses by amount and percentage of our total operating expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2007		2008		2009		2009		2010	
	Amount	Percentage of total operating expenses	Amount	Percentage of total operating expenses	Amount	Percentage of total operating expenses	Amount	Percentage of total operating expenses	Amount	Percentage of total operating expenses
	(US$ in thousands, except percentages)									
Selling expenses	13,221	52.1%	18,708	48.5%	25,186	53.2%	9,988	51.6%	16,742	53.9%
General and administrative expenses	12,158	47.9	19,857	51.5	22,176	46.8	9,379	48.4	14,330	46.1
Total	25,379	100.0%	38,565	100.0%	47,362	100.0%	19,367	100.0%	31,072	100.0%

Selling Expenses

Our selling expenses primarily consist of staff costs, such as salaries and benefits paid to personnel in our sales and distribution department, operating lease expenses, which include rental expenses related to our selling and distribution department, traveling and communication expenses, office expenses and advertising and promotion expenses, including fees we pay to other Internet portals for the purpose of promoting and increasing traffic to our website, which helps us to raise our brand profile and generate additional marketing service revenues. Selling expenses also include other expenses incurred in relation to our selling and distribution activities and share-based compensation costs in connection with stock options and other share-based compensation granted to our sales and marketing personnel. We expect our selling expenses to increase in the near future in line with an increase in revenues as we continue to promote our website and our brand name.

General and Administrative Expenses

General and administrative expenses primarily consist of staff costs, such as salaries and benefits paid to our management and general administrative, product and development personnel, bad debt expense relating to uncollectible accounts receivable, office expenses, communication expenses and other expenses in relation to general and administrative purposes, as well as website development expenses related to the maintenance of our Internet portal browser and real estate database. Our general and administrative expenses also include share-based compensation costs in connection with share options and other share-based compensation granted to our general administrative, technical and research personnel. We expect our general and administrative expenses to increase in connection with the cost of being a public company. These expenses will initially increase as a percentage of our revenues, but are expected to gradually stabilize and to decrease in the long term as a percentage of our revenues to the extent that our revenues continue to grow.

Operating Income

Our operating income as a percentage of our revenues was 34.3%, 41.7%, 38.0%, 18.7% and 17.7% in 2007, 2008, 2009 and the six months ended June 30, 2009 and 2010, respectively.

Taxation

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions where we, our subsidiaries or our consolidated controlled entities are domiciled or have operations.

Cayman Islands Income Tax

Under the current laws of the Cayman Islands, we are not subject to tax on our income or capital gains. In addition, the Cayman Islands imposes no withholding tax on any dividends paid by us.

British Virgin Islands Income Tax

Our subsidiaries in the British Virgin Islands are exempted from any income tax or withholding tax under the current laws of the British Virgin Islands.

Hong Kong Income Tax

Our subsidiaries in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on assessable profits determined under the current relevant Hong Kong tax regulations. In 2007, 2008 and 2009, we did not make any provisions for Hong Kong profit tax as we had no assessable profits derived from or earned in Hong Kong during those periods.

According to the Tax Agreement, dividends paid by a foreign-invested enterprise in mainland China to its corporate shareholder in Hong Kong will be subject to withholding tax at the maximum rate of 5.0%, provided that such Hong Kong company directly owns at least 25.0% of the equity interest in the mainland foreign-invested enterprise. However, under the New EIT Law and Circular 601, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to withholding tax of 10.0% if our Hong Kong subsidiaries cannot be considered as a “beneficial owner.” Bravo Work, a company we incorporated in Hong Kong in October 2007, currently holds all the equity interest in SouFun Media and SouFun Network. Max Impact, a company we incorporated in Hong Kong in October 2007, currently holds all the equity interest in Beijing Zhong Zhi Shi Zheng. We incorporated China Index Academy in Hong Kong in August 2000. To the extent that Bravo Work and Max Impact are each considered a “non-resident enterprise” under the Tax Agreement, dividends paid by SouFun Media, SouFun Network and Beijing Zhong Zhi Shi Zheng to Bravo Work and Max Impact, respectively, may be subject to a maximum rate of 10.0% withholding tax. However, dividends paid by Bravo Work, Max Impact and China Index Academy to their shareholders, Pendiary Investments, Selovo Investments and SouFun Holdings Limited, respectively, will not be subject to any Hong Kong withholding tax.

PRC Income Tax

Prior to January 1, 2008, our PRC subsidiaries were governed by the Old EIT Law and were generally subject to enterprise income taxes at a statutory rate of 33.0%, which consisted of a 30.0% national income tax and 3.0% local income tax. Under the Old EIT Law, some of our subsidiaries qualified for preferential tax treatment based upon their satisfaction of certain criteria. For example, SouFun Media and SouFun Network each obtained a “new and high technology enterprise certificate,” which entitled them to a preferential income tax rate of 15.0% in 2007 and an exemption from foreign enterprise income tax for three years starting from the calendar years of 2003 and 2006, respectively. These companies are also entitled to a 50.0% tax reduction for the three years beginning from 2006 and 2009, respectively.

In accordance with the provisions of PRC tax laws, rules and regulations, the local tax authority of Chongming County of Shanghai concluded that a deemed profit method is a

measure of income tax liability more appropriate than the statutory taxable income method for companies such as Shanghai Advertising and Shanghai China Index. Under the deemed profit method, the local tax authority in China levies income tax based on an arbitrary deemed profit of 10.0% of total revenues. Shanghai Advertising and Shanghai China Index have filed their tax returns based on the deemed profit method.

In March 2007, the National People's Congress of China enacted the New EIT Law, which became effective on January 1, 2008. Under the New EIT Law, all foreign-invested enterprises, including our subsidiaries and consolidated controlled entities, are subject to enterprise income tax at a uniform rate of 25.0% if no preferential tax policy is applicable. The New EIT Law also provided for a transition period commencing January 1, 2008 for those enterprises which were established before the promulgation of the New EIT Law and were entitled to preferential tax treatment such as a reduced tax rate or a tax holiday. Based on the transitional rule, foreign-invested enterprises located in Shenzhen Special Economic Zone and Shanghai Zhangjiang High Technology Park, such as SouFun Shenzhen and SouFun Shanghai, which previously enjoyed a preferential tax rate of 15.0%, are eligible for a five-year transition period during which the income tax rate will be gradually increased to the unified rate of 25.0%. The applicable rates for SouFun Shenzhen and SouFun Shanghai are 18.0%, 20.0%, 22.0%, 24.0% and 25.0% in 2008, 2009, 2010, 2011 and 2012 and thereafter. As a result of these changes in tax rates, we expect our effective tax rate in 2010 to be higher than that in 2009, which will affect our profitability, net income and earnings per share.

In April 2008, the relevant PRC governmental authorities also released qualification criteria and application and assessment procedures for "high and new technology enterprises strongly supported by the state," which would be entitled to a statutory tax rate of 15.0%. Beijing JTX Technology, Beijing Zhong Zhi Shi Zheng, SouFun Media and SouFun Network and Beijing Technology obtained qualification as "high and new technology enterprises strongly supported by the state" in May and June 2009 and may apply for renewal of such status on a three-year basis. Renewal of such status is subject to such companies continuing to demonstrate the requisite qualifications and obtaining approval from the relevant tax authorities. We expect that our overall effective tax rate will increase as a result of the implementation of the new enterprise income tax law. In April 2010, following discussions with relevant PRC tax authorities on our status as a "high and new technology enterprise strongly supported by the state," we paid US$9.0 million (including interest of US$1.2 million) to resolve uncertainties about our tax treatment in 2008. As there was no penalty charge relating to these payments, we did not record any penalties in relation to these payments in 2008 and 2009. Although some of our subsidiaries and consolidated controlled entities in China qualified in years prior to 2008 for certification as "high and new technology enterprises strongly supported by the state" under the previous PRC enterprise income tax laws, we failed to promptly renew such certification under the New EIT Law in 2008. As a result, these PRC entities became subject to income tax at the rate of 25.0% instead of the preferential tax rates enjoyed by "high and new technology enterprises strongly supported by the state." We engaged in discussions with the relevant PRC tax authorities to persuade them to retroactively recognize our subsidiaries and consolidated controlled entities in China as "high and new technology enterprises strong supported by the state" so that we could apply the preferential tax rates to these PRC entities starting from 2008. As our request for retroactive recognition was not formally agreed to by the tax authorities, we decided to accept the 25.0% tax rate and make a lump-sum payment of US$9.0 million to resolve any uncertainty relating to our PRC entities' tax and to settle our tax liability and avoid further interest charges or any assessment of penalties. This lump-sum payment consisted of US$7.8 million relating to income taxes owed for 2008 and interest owed on such income taxes of US$1.2 million. This payment did not include any penalties or other payments and was not a condition to or related to the receipt by certain of our subsidiaries and controlled consolidated entities of qualification as "high and new technology enterprises strongly supported by the state" in 2009. During 2009, each of Beijing JTX Technology, Beijing Zhong Zhi

Shi Zheng, SouFun Media, SouFun Network and Beijing Technology obtained qualification as “high and new technology enterprises strongly supported by the state” under the New EIT Law effective from 2009.

As a consequence of Circular 157, we believe that the applicable income tax rates for SouFun Network, Beijing Technology and Beijing JTX Technology, as “high and new technology enterprises strongly supported by the state,” will be 10.0%, 10.0% and 0% for 2009, respectively, and 11.0%, 11.0% and 11.0% for 2010, respectively. As we believe Circular 157 is similar to a change in tax law, and the cumulative effect should be reflected in the period of the change, an additional tax expense of US$3.8 million was recognized in the six months ended June 30, 2010 to account for the cumulative effect of Circular 157 for the year ended December 31, 2009 and the three months ended March 31, 2010, the applicable tax periods prior to the announcement in April 2009. This additional tax expense consists of current income tax expense of US$1.1 million and deferred tax expense of US$2.7 million. We are in the process of discussing the settlement procedures for the additional tax required under Circular 157 and thus this additional tax was classified as income tax payable in the balance sheet.

Moreover, under the New EIT law, if we are deemed to be a non-PRC tax resident enterprise without an office or premises in China, a withholding tax at the rate of 10.0% will be applicable to any dividends paid by our PRC subsidiaries to us, unless we are entitled to reduction or elimination of such tax provided by applicable tax treaties.

Six Months Ended June 30, 2010 Compared to Six Months Ended June 30, 2009

Revenues

Our revenues increased by 84.5% from US$37.0 million in the six months ended June 30, 2009 to US$68.2 million in the same period in 2010. This increase in revenues was primarily attributable to growth across all of our business lines and more favorable real estate market conditions in China relative to the six months ended June 30, 2009. Despite the tightening measures announced by the PRC government in April 2010 that were targeted at the PRC property market, there was continued growth in our financial results for the six months ended June 30, 2010.

Marketing Services. Revenues from marketing services increased by 54.5% from US$29.5 million in the six months ended June 30, 2009 to US$45.6 million in the same period in 2010. The increase in revenues was mainly due to a net increase in revenues from new home marketing business of US$12.5 million across all levels of cities. The general improvement in operating conditions in the PRC real estate market and the continued growth and expansion of our operations in all levels of cities were the primary drivers behind the increased marketing service revenues. During the second half of 2009, we increased the scale of our operations in level 2 and level 3 cities by increasing the number of sales and marketing staff to provide more coverage for, as well as further promote our existing services in, these cities. We also believe our management was better able to anticipate and address customer trends and preferences during this period. The growth in marketing service revenues was also supported by an increase in the number of marketing contracts we entered into in the six months ended June 30, 2010, principally as a result of strong growth in the number of contracts in smaller cities in which we operate, even though the new contracts entered into in these smaller cities generally have shorter terms and smaller amounts than in level 1 cities. To a lesser extent, the increase in marketing service revenues was attributable to growth in our home furnishing and improvement business across all levels of cities, particularly in level 1 cities, driven by increased advertising spending by service providers as a result of improved economic conditions in China.

Listing Services. Revenues from our listing services increased by 159.5% from US$5.4 million in the six months ended June 30, 2009 to US$14.0 million in the same period in 2010, including a 229.7% increase in basic listing service revenues from US$3.2 million to US$10.6 million and a 54.9% increase in revenues from special listing services from US$2.2 million to US$3.4 million over the same period. Listing service revenues increased as a percentage of revenues from 14.6% in the six months ended June 30, 2009 to 20.5% in the same period in 2010 as a result of improved economic conditions in the PRC real estate market, which drove the growth in listing activity in the secondary homes market.

The increase in basic listings revenue was primarily due to an increase of US$7.1 million in listing service revenues from our secondary and rental business across all levels of cities, which was attributable to an increase in the number of paid online listing subscription accounts from 21,008 as of June 30, 2009 to 122,829 as of June 30, 2010. The growth in new subscription accounts was largely due to strong demand for listing services supported by growing secondary real estate markets in these cities. Our basic listing service revenues and the number of paid online subscription accounts for basic listing services are affected by the geographical market where our services are delivered and the pricing of the listing subscription accounts. In July 2009, we reduced the number of listings allowed in each listing subscription account and repackaged our listing subscription offerings at a lower price, resulting in the number of our paid online subscription accounts increasing at a higher rate than the growth of our listing service revenues.

The increase in revenues from special listings mainly resulted from an increase in the number of participants at our special events, in particular at our top 100 PRC property developers event, during the first half of 2010. Compared with the six months ended June 30, 2009, which was adversely affected by the global financial crisis, we were able to hold more special listing events in the six months ended June 30, 2010. Relatively better property market conditions as well as the timely hosting of themed events of interest to market participants in the six months ended June 30, 2010 also resulted in higher participation as compared to the same period in 2009.

Other Value-added Services and Products. Revenues from other value-added services and products increased by 317.9% from US$2.1 million in the six months ended June 30, 2009 to US$8.6 million in the same period in 2010, primarily due to a US$6.3 million increase in sales of our prepaid cards.

Cost of Revenues

Our cost of revenues in the six months ended June 30, 2009 and 2010 as a percentage of our total revenues was 28.9% and 36.7%, respectively. Our cost of revenues increased by 134.3% from US$10.7 million in the six months ended June 30, 2009 to US$25.1 million in the same period in 2010. This increase was primarily due to an increase in the cost of other value-added services and products and increases in staff costs relating to our editorial staff and customer service personnel. Our costs of other value-added services and products increased from US$1.2 million in the six months ended June 30, 2009 to US$6.9 million in the same period in 2010, principally as a result of an increase in sales of prepaid cards. In addition, our staff costs increased from US$4.0 million in the six months ended June 30, 2009 to US$8.7 million in the same period in 2010, mainly as a result of higher headcount for our editorial staff and customer service personnel and an increase in salaries.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 64.2% from US$26.3 million in the six months ended June 30, 2009 to US$43.1 million in the same period in 2010. Our gross margin decreased from 71.1% in the six months ended June 30, 2009 to 63.3% in the same

period in 2010 primarily as a result of increased costs of other value-added services as well as from increased staff costs largely due to hiring of additional editonal and production staff. We discontinued the acceptance of prepaid cards in July 2010. We expect to sell all the remaining prepaid cards by the end of 2010.

Operating Expenses

Our operating expenses increased by 60.4% from US$19.4 million in the six months ended June 30, 2009 to US$31.1 million in the same period in 2010. The increase in our operating expenses was mainly attributable to increases in both our selling expenses and general and administrative expenses.

Selling Expenses. Our selling expenses increased by 67.6% from US$10.0 million in the six months ended June 30, 2009 to US$16.7 million in the same period in 2010, primarily due to an increase in staff costs and traveling and communication expenses. The 81.8% increase in staff costs from US$4.9 million in the six months ended June 30, 2009 to US$8.9 million in the same period in 2010 was mainly due to the hiring of additional sales and marketing personnel. As a result of the increase in headcount, our traveling and communication expenses increased by 86.6% to US$2.2 million in the six months ended June 30, 2010 from US$1.2 million in the same period in 2009.

General and Administrative Expenses. Our general and administrative expenses increased by 52.8% from US$9.4 million in the six months ended June 30, 2009 to US$14.3 million in the same period in 2010, primarily due to an increase in professional service fees and website development expenses. Professional service fees increased from US$0.1 million in the six months ended June 30, 2009 to US$2.0 million in the same period in 2010, mainly as a result of fees paid to our professional advisors in connection with this offering. Website development expenses increased by 83.1% from US$1.5 million in the six months ended June 30, 2009 to US$2.8 million in the same period in 2010, primarily due to an increase in staff costs due to an increase in headcount and salaries paid to our technical and research personnel.

Operating Income and Operating Margin

As a result of the foregoing, our operating income increased 74.8% from US$6.9 million in the six months ended June 30, 2009 to US$12.1 million in the same period in 2010. Our operating margin decreased slightly from 18.7% in the six months ended June 30, 2009 to 17.7% in the same period in 2010, largely due to the drop in gross margins from the increased sale of lower margin prepaid cards.

Foreign Exchange Gain/(Loss)

We had a foreign exchange loss of US$17,000 in the six months ended June 30, 2009 and a foreign exchange loss of US$481,000 in the same period in 2010, primarily due to outstanding Renminbi-denominated dividend liabilities that will be repaid no later than June 30, 2011, in each case related to exchange rate fluctuations of the Renminbi relative to the U.S. dollar.

Interest Income

Our interest income increased by 89.6% from US$0.6 million in the six months ended June 30, 2009 to US$1.2 million in the same period in 2010, mainly due to the larger amount of funds we kept in fixed-rate time deposits.

Realized Gain—Trading Securities

We recognized a gain of US$85,000 in the six months ended June 30, 2009 and US$164,000 in the same period in 2010 from sales of our investment in a structured note with a maturity of less than one year and aggregate principal amount of US$7.3 million issued by a financial institution.

Government Grants

Our government grants increased by 6.0% from US$336,000 in the six months ended June 30, 2009 to US$356,000 in the same period in 2010, primarily due to an increase in the amount of government grants received by our Shanghai-based subsidiaries, as a result of an increase in the amount of business taxes assessed on these subsidiaries.

Income Before Income Tax

As a result of the foregoing, our income before income tax increased by 67.5% from US$7.9 million in the six months ended June 30, 2009 to US$13.3 million in the same period in 2010.

Income Tax Benefit (Expense)

We incurred income tax expenses of US$4.2 million in the six months ended June 30, 2009 and US$8.0 million in the same period in 2010. Although we enjoyed preferential corporate income tax rates due to the status of certain of our PRC subsidiaries as "high and new technology enterprises strongly supported by the state" in the six months ended June 30, 2010, the increase in our tax expenses was principally the result of a one-off income tax expense provision of US$3.8 million due to the impact of Circular 157.

In April 2010, SAT issued Circular 157, which seeks to provide additional guidance on the interaction of certain preferential tax rates under the transitional rules of the New EIT Law. Prior to the issuance of Circular 157, three of our subsidiaries were entitled to pay income tax at a lower rate, and could now be required to pay income tax at a higher rate pursuant to Circular 157, which has a retroactive effect and would apply to our 2009 tax year. As a consequence of Circular 157, we recorded a one-off income tax expense of US$3.8 million, which consisted of a current income tax expense of US$1.1 million and a deferred tax expense of US$2.7 million recorded in the second quarter of 2010. See "Risk Factors—Risks Relating to Our Business—The discontinuation of any of the preferential tax treatments currently available to us in China could materially and adversely affect our financial condition and results of operations."

Net (Income) Loss Attributable to Our Non-controlling Interests

Our net income attributable to a 10.0% equity interest in Beijing Information that is not directly or indirectly owned by us decreased from US$20,000 in the six months ended June 30, 2009 to US$11,000 in the same period in 2010, mainly as a result of a decrease in the net income from Beijing Information.

Net Income Attributable to SouFun Holdings Limited Shareholders

As a result of the foregoing, our net income attributable to our shareholders increased by 41.7% from US$3.7 million in the six months ended June 30, 2009 to US$5.3 million in the same period in 2010, but our net income margin decreased from 10.1% in the six months ended June 30, 2009 to 7.8% in the same period in 2010.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Revenues

Our revenues increased by 22.0% from US$104.1 million in 2008 to US$127.0 million in 2009. This increase in revenues was primarily attributable to growth across all our business lines from existing and new customers in our existing cities in 2009. Our rate of growth in 2009, however, decreased significantly from that in 2008 largely as a result of the global economic crisis, as (i) many of our property developer customers launched fewer property developments and reduced their advertising budgets in 2009 and (ii) difficult real estate market conditions, particularly in the first half of 2009, led to slower growth in our listing service revenues compared to 2008.

Marketing Services. Revenues from marketing services increased by 18.7% from US$86.3 million in 2008 to US$102.4 million in 2009, mainly attributable to the increase in revenues from new home marketing of US$11.6 million. This increase was largely driven by new project launches in level 1 cities, on-going adoption of online marketing by new home developers and a general improvement in the business environment of the real estate market. The growth in marketing service revenues was also supported by an increase in the number of marketing contacts we entered into with customers even though during the first half of 2009, many of the marketing contracts we entered into with customers were for shorter terms as a result of the global financial crisis. To a lesser extent, the increase in marketing service revenues was attributable to growth in our home furnishing and improvement business in all levels of cities driven by increased advertising spending by service providers as a result of improved economic conditions. The increase was partially offset by a decrease in marketing service revenues from our new home business from level 2 cities of US$3.6 million, due to the entry of new participants to the market including national Internet portal companies and websites focused on real estate services and a challenging sales environment for that line of business, particularly in Tianjin, Chongqing and Chengdu. In 2009, some of the national Internet portals in China began to strengthen their presence in various cities, while local websites also entered into these markets to compete.

Listing Services. Revenues from our listing services increased by 9.3% from US$16.1 million in 2008 to US$17.6 million in 2009, including a 33.7% increase in basic listing service revenues from US$8.6 million to US$11.5 million, partially offset by a 20.0% decrease in revenues from special listing services from US$7.5 million to US$6.0 million over the same period.

This growth in basic listings revenue was primarily due to an increase of US$2.9 million in listing service revenues from our secondary and rental business in level 1 and level 2 cities attributable to an increase in the number of paid online listing subscription accounts from 50,549 in 2008 to 89,826 in 2009. The growth in new subscription accounts was driven by strong demand for listing services supported by growing secondary real estate markets in these cities. Our listing service revenues and the number of paid online subscription accounts for basic listing services are affected by the geographical market where our services are delivered and the pricing of the listing subscription accounts. In July 2009, we repackaged all our listing subscription accounts to a lower price by reducing the number of listings allowed in each listing subscription account, resulting in the number of our paid online subscription accounts increasing at a higher rate than the growth of our listing service revenues.

The decrease in revenues from special listings resulted primarily from fewer participants at our special listing events for our research business. This was partially offset by an increase in revenues from increased participants at our special listing events for our new home business.

Other Value-added Services and Products. Revenues from other value-added services and products increased by 294.4% from US$1.8 million in 2008 to US$7.1 million in 2009, primarily due to the sale of prepaid cards in 2009 of US$5.4 million and an increase of US$0.2 million in revenues from our research report services in 2009. This was partially offset by a decrease of US$0.2 million in revenues from total web solution services and a decrease of US$0.1 million in revenues from information database services.

Cost of Revenues

In 2008 and 2009, our cost of revenues represented 21.3% and 24.7% of our revenues, respectively. The increase in our cost of revenues as a percentage of our revenues in 2009 was primarily the result of sales of prepaid cards amounting to US$5.4 million, of which we incurred US$4.9 million in costs of other valued-added services and products relating to the prepaid cards. As the prepaid cards were sold at a discount, the cost of revenues for these prepaid cards as a percentage of the revenues they generated in 2009 was higher than our other business operations, resulting in an increase in our overall cost of revenues as a percentage of our revenues in 2009. We had no sales of prepaid cards in 2008.

Our cost of revenues in 2009 increased by 41.0% from US$22.2 million in 2008 to US$31.3 million. This increase was consistent with our increase in revenues and was primarily due to US$4.9 million for the cost of other value-added services and products relating to the sale of prepaid cards and an increase in business taxes and surcharges and business taxes on intercompany service fee charges. Our business taxes and surcharges increased from US$6.8 million in 2008 to US$8.3 million in 2009 in line with the increase in our revenues in 2009. Our business taxes on intercompany service fee charges increased from US$47,000 in 2008 to US$1.2 million in 2009, mainly as a result of an increase in transfers of taxable revenue from the consolidated controlled entities to our direct subsidiaries.

Gross Profit and Gross Margin

Our gross profit increased by 16.7% from US$82.0 million in 2008 to US$95.7 million in 2009. Our gross margin remained relatively stable at 78.7% in 2008 and 75.3% in 2009.

Operating Expenses

Our operating expenses increased by 22.8% from US$38.6 million in 2008 to US$47.4 million in 2009. The increase in our operating expenses was principally as a result of an increase in selling expenses.

Selling Expenses. Our selling expenses increased by 34.8% from US$18.7 million in 2008 to US$25.2 million in 2009, primarily due to an increase in staff costs, traveling and communication expenses and advertising and promotion expenses. The 38.8% increase in staff costs from US$8.5 million in 2008 to US$11.8 million in 2009 was mainly due to an increase in our sales and marketing personnel in the second half of 2009 and an increase in commissions paid to our sales and marketing staff as a result of higher sales. The increase in traveling and communication expenses by 22.2% from US$2.7 million in 2008 to US$3.3 million in 2009 was largely due to increased sales and promotional activities from the addition of new sales and marketing staff during 2009. The increase in advertising and promotion expenses by 66.7% from US$0.9 million in 2008 to US$1.5 million in 2009 was primarily due to entry into a portal collaboration contract with an Internet portal company to promote our website.

General and Administrative Expenses. Our general and administrative expenses increased by 11.6% from US$19.9 million in 2008 to US$22.2 million in 2009, primarily due to an increase in bad-debt expenses, share-based compensation expenses and website development expenses. Bad-debt expenses increased by 37.5% from US$3.2 million in 2008 to US$4.4 million in 2009, principally as a result of an increase in our accounts receivable arising

from increases in sales, and because the global financial crisis during these periods negatively affected accounts receivable collectability from certain clients in the first half of 2009. The increase in share-based compensation expenses by 40.0% from US$2.0 million to US$2.8 million was mainly due to the increase in the number of share options granted. Website development expenses increased by 23.1% from US$2.6 million in 2008 to US$3.2 million in 2009, primarily due to an increase in staff costs resulting from an increase in salaries and in the number of technical and research personnel in 2009.

Operating Income and Operating Margin

As a result of the foregoing, our operating income increased 11.3% from US$43.4 million in 2008 to US$48.3 million in 2009. Our operating margin decreased from 41.7% in 2008 to 38.0% in 2009.

Foreign Exchange Gain/(Loss)

We incurred a foreign exchange loss of US$2.8 million in 2008 and US$59,000 in 2009 related to Renminbi-denominated dividend liabilities, which resulted in a loss due to fluctuations in the Renminbi-U.S. dollar exchange rate.

Interest Income

Our interest income remained relatively stable at US$1.2 million in 2008 and 2009.

Realized Gain—Trading Securities

We recognized a gain of US$0.2 million in 2009 from our investment in a structured note with a maturity of less than one year of US$7.3 million issued by a financial institution.

Government Grants

Our government grants increased by 75.0% from US$0.4 million in 2008 to US$0.7 million in 2009, primarily due to an increase in the amount of government grants received by our Shanghai-based subsidiaries, as a result of an increase in the amount of business taxes assessed on these subsidiaries.

Income Before Income Tax

As a result of the foregoing, our income before income tax increased by 19.4% from US$42.2 million in 2008 to US$50.4 million in 2009.

Income Tax Benefit (Expense)

We incurred income tax expenses of US$18.8 million in 2008 and recorded an income tax benefit of US$2.2 million in 2009, primarily due to the qualification of certain of our PRC subsidiaries and consolidated controlled entities for preferential tax treatment as “high and new technology enterprises strongly supported by the state” in 2009. Under the applicable PRC tax law, a recognized “high and new technology enterprise strongly supported by the state” may enjoy a preferential corporate income tax rate of 15.0%. As a result of changes in our tax rate in 2009, we recognized a tax benefit of US$9.5 million. For 2009, our major subsidiaries and consolidated controlled entities, SouFun Media, SouFun Network, Beijing Technology, Beijing Zhong Zhi Shi Zheng and Beijing JTX Technology were eligible to use tax rates of 15.0%, 7.5%, 7.5%, 15.0% and 0%, respectively. During 2008, all of these entities were subject to income tax at a rate of 25.0% as we failed to secure such “high and new technology enterprise strongly supported by the state” recognition for our PRC subsidiaries and consolidated controlled entities during the year. We recognize deferred tax liability in relation to the

undistributed earnings of our consolidated controlled entities in China. Such earnings are taxable upon distribution to our PRC subsidiaries. As a result of the tax rate change from the unified 25.0% in 2008 to the preferential tax rates in 2009, our deferred tax liability, decreased from US$14.0 million as at December 31, 2008 to US$5.7 million as at December 31, 2009, with such effect of tax rate change recognized as an income tax benefit in the amount of US$9.5 million in 2009. You may find additional information on the effects of the PRC tax law and its changes on our financial condition and results of operations in Note 13 to our audited consolidated financial statements included elsewhere in this prospectus.

Net (Income) Loss Attributable to Our Non-controlling Interests

Our net income attributable to a 10.0% equity interest in Beijing Information that is not directly or indirectly owned by us increased by 23.5% from US$34,000 in 2008 to US$42,000 in 2009 as a result of an increase in net income from Beijing Information's operations.

Net Income Attributable to SouFun Holdings Limited Shareholders

As a result of the foregoing, our net income attributable to our shareholders increased by 125.2% from US$23.4 million in 2008 to US$52.7 million in 2009, and our net income margin increased from 22.4% in 2008 to 41.4% in 2009.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Revenues

Our revenues increased by 79.8% from US$57.9 million in 2007 to US$104.1 million in 2008. This increase was attributable to growth across all our business lines from existing and new customers in our existing cities in 2008, bolstered by favorable market conditions in China in the first half of 2008.

Marketing Services. Revenues from marketing services increased by 85.2% from US$46.6 million in 2007 to US$86.3 million in 2008, mainly attributable to the increase in revenues from new home marketing of US$36.3 million. This was largely driven by an increase in overall online advertising expenditures by existing and new customers in our new home business from the on-going adoption of online marketing by new home developers, strong growth in our level 2 and existing level 3 cities, as well as an increase in the number of level 3 cities we operated in. There was also an increase in marketing service revenues as a result of favorable market conditions in the PRC real estate industry, which led to an increase in the number of marketing contracts entered into in all levels of cities. To a lesser extent, the increase in marketing service revenues was attributable to an increase of US$3.1 million in home furnishing and improvement marketing service revenues driven by growth in the number of contracts as well as overall price increases.

Listing Services. Revenues from our listing services increased by 62.6% from US$9.9 million in 2007 to US$16.1 million in 2008, including a 75.5% increase in basic listing services from US$4.9 million to US$8.6 million and a 50.0% increase in special listing services from US$5.0 million to US$7.5 million over the same period.

The growth in basic listing service revenues was primarily due to an increase of US$3.5 million in listing service revenues from our secondary home business across all levels of cities attributable to an increase in the number of new paid online subscription accounts from 28,742 in 2007 to 50,549 in 2008. The growth in new subscriptions was driven by strong demand for listing services supported by growing secondary real estate markets across all service levels of cities. Our listing service revenues and the number of paid online subscription accounts for basic listing services were affected by the geographical market where our services were delivered and the pricing of the listing subscription accounts. During 2008, we began to

offer subscription accounts that charged a lower fee for fewer listings allowed in addition to our standard subscription accounts, resulting in the number of our paid online subscription accounts increasing at a higher rate than the growth of our listing service revenues.

Revenues from our special listing services increased principally as a result of an increase in the number of participants at our special events for all of our businesses in 2008.

Other Value-added Services and Products. Revenues from other value-added services and products increased by 28.6% from US$1.4 million in 2007 to US$1.8 million in 2008, primarily due to an increase of US$0.4 million in value-added services and products revenues from our information database business and US$0.2 million from our research report business. This was partially offset by a decrease of US$0.3 million in value-added services and products revenues from our total web solution business.

Cost of Revenues

In 2007 and 2008, our cost of revenues represented 21.8% and 21.3% of our revenues, respectively. Our cost of revenues increased by 76.2% from US$12.6 million in 2007 to US$22.2 million in 2008. This increase was consistent with an increase in our revenues and was primarily due to increases in our staff costs, business taxes and surcharges and tax penalties.

Our staff costs increased from US$4.4 million in 2007 to US$8.4 million in 2008, mainly as a result of an increase in salary and increased headcount in our editorial and production department during 2007, which led to increased staff costs through 2008. Our business taxes and surcharges increased from US$4.5 million in 2007 to US$6.8 million in 2008, mainly as a result of an increase in our taxable revenue in 2008.

Gross Profit and Gross Margin

Our gross profit increased by 81.4% from US$45.2 million in 2007 to US$82.0 million in 2008. Our gross margin increased slightly from 78.2% in 2007 to 78.7% in 2008.

Operating Expenses

Our operating expenses increased by 52.0% from US$25.4 million in 2007 to US$38.6 million in 2008. The increase in our operating expenses was principally a result of an increase in both our selling expenses and general and administrative expenses.

Selling Expenses. Our selling expenses increased by 41.7% from US$13.2 million in 2007 to US$18.7 million in 2008, primarily due to an increase in staff costs and traveling and communication expenses. The increase in staff costs by 46.6% from US$5.8 million in 2007 to US$8.5 million in 2008 was mainly due to an increase in salaries and an increase in commissions paid to our sales and marketing staff as a result of higher sales. The increase in traveling and communication expenses by 80.0% from US$1.5 million in 2007 to US$2.7 million in 2008 was mainly due to increased sales and promotional activities.

General and Administrative Expenses. Our general and administrative expenses increased by 63.1% from US$12.2 million in 2007 to US$19.9 million in 2008, primarily due to increases in bad-debt expenses, staff costs, professional service fees and website development expenses. Bad-debt expenses increased by 166.7% from US$1.2 million in 2007 to US$3.2 million in 2008, mainly as a result of an increase in our accounts receivable arising from increases in sales, and because the global financial crisis during these periods negatively affected accounts receivable collectability from certain clients in 2008. The increase in staff costs by 35.4% from US$4.8 million in 2007 to US$6.5 million in 2008 was mainly due to an increase in salaries of our management and general and administrative personnel. Professional service fees increased from US$27,000 in 2007 to US$1.1 million in 2008 primarily due to payments to

professionals engaged by us to advise on a capital market financing transaction that was ultimately not completed. The increase in website development expenses by 52.9% from US$1.7 million in 2007 to US$2.6 million in 2008 was primarily due to the increase in staff cost resulting from an increase in the number of technical and research personnel in 2008.

Operating Income and Operating Margin

As a result of the foregoing, our operating income increased 118.1% from US$19.9 million in 2007 to US$43.4 million in 2008. Our operating margin increased from 34.3% in 2007 to 41.7% in 2008.

Foreign Exchange Gain/(Loss)

We realized a foreign exchange gain of US$8,000 in 2007 and incurred a foreign exchange loss of US$2.8 million related to Renminbi-denominated dividend liabilities, which resulted in a loss due to fluctuations in the Renminbi-U.S. dollar exchange rate.

Interest Income

Our interest income increased by 69.7% from US$707,000 in 2007 to US$1.2 million in 2008, primarily due to an increase in interest rates for our held to maturity deposits in China, the opening of fixed rate interest accounts in China and an increase in the amount of cash deposited compared to 2007.

Government Grants

Our government grants increased by 70.6% from US$211,000 in 2007 to US$360,000 in 2008, primarily due to an increase in the amount of government grants received by our Shanghai-based subsidiaries as a result of an increase in the amount of business taxes assessed on these subsidiaries.

Income Before Income Tax

As a result of the foregoing, our income before income tax increased by 102.9% from US$20.8 million in 2007 to US$42.2 million in 2008, and our margin increased from 35.9% in 2007 to 40.5% in 2008.

Income Tax Benefit (Expense)

Our income tax expenses increased by 121.2% from US$8.5 million in 2007 to US$18.8 million in 2008, mainly because certain of our PRC subsidiaries did not obtain preferential tax treatment as “high and new technology enterprises strongly supported by the state” and an increase in taxable income in 2008.

Net (Income) Loss Attributable to Our Non-controlling Interests

We recorded net loss attributable to our non-controlling interests of US$125,000 in 2007 and had a net income attributable to our non-controlling interest of US$34,000 in 2008 derived from Beijing Information’s operations.

Net Income Attributable to SouFun Holdings Limited Shareholders

As a result of the foregoing, our net income attributable to our shareholders increased by 91.8% from US$12.2 million in 2007 to US$23.4 million in 2008, and our net income margin increased from 21.1% in 2007 to 22.4% in 2008.

Selected Quarterly Results of Operations

The following table sets forth our consolidated selected quarterly results of operations for the six quarters ended June 30, 2010. We have prepared the consolidated financial information on the same basis as our audited consolidated financial statements. The financial information includes all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and results of operations for the quarters presented. You should not rely on these quarter-to-quarter comparisons of our results of operations as indicators of likely future performance.

	Three months ended					
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010
	(US$ in thousands)					
Revenues						
Marketing services	11,868	17,635	24,832	48,032	17,925	27,661
Listing services	2,266	3,132	4,629	7,532	5,706	8,300
Other value-added services and products	651	1,405	1,848	3,219	2,818	5,775
Total revenues	14,785	22,172	31,309	58,783	26,449	41,736
Cost of revenues						
Cost of services	(4,420)	(5,086)	(6,413)	(10,565)	(8,228)	(9,935)
Cost of other value-added services and products	(268)	(917)	(1,593)	(2,085)	(2,274)	(4,613)
Total cost of revenues	(4,688)	(6,003)	(8,006)	(12,650)	(10,502)	(14,549)
Gross profit	10,097	16,169	23,303	46,133	15,947	27,187
Operating expenses						
Selling expenses	(5,019)	(4,969)	(6,355)	(8,843)	(6,974)	(9,768)
General and administrative expenses	(4,334)	(5,045)	(5,598)	(7,199)	(6,019)	(8,311)
Operating income	744	6,155	11,350	30,091	2,954	9,108
Foreign exchange gain (loss)	8	(25)	(19)	(23)	(24)	(457)
Interest income (Including related party amount of nil, nil, nil, US$85, US$183 and US$122 for the three months ended March 31, June 30, September 30, and December 31, 2009 and March 31 and June 30, 2010, respectively)	356	257	265	327	630	532
Realized gain—trading securities	85	—	110	—	113	51
Government grants	151	185	126	268	191	165
Income before income tax	1,344	6,572	11,832	30,663	3,864	9,399
Income tax (expense) benefit	(1,028)	(3,162)	9,325	(2,936)	(1,496)	(6,469)
Net income	316	3,410	21,157	27,727	2,368	2,930
Net loss attributable to non-controlling interests	(10)	(10)	(10)	(12)	(6)	(5)
Net income attributable to SouFun Holdings Limited shareholders	326	3,420	21,167	27,739	2,374	2,935

Our revenues have historically been substantially lower during the first quarter of each year as compared to the other quarters of the year as a result of seasonal variations that are largely due to the timing of our entry into marketing contracts with customers and the duration of these marketing contracts. Many of our marketing contracts are negotiated and entered into with customers during the first quarter of the year, while we typically experience reduced advertising and marketing activities by our customers in the PRC real estate industry during and around the Chinese Lunar New Year holidays. As a result, we typically begin recognizing marketing revenue from such contracts in subsequent quarters. As many of our contracts involve multiple advertisements in different formats to be delivered over different periods of time, our fourth quarter revenues have historically been higher primarily due to the fact that

the last advertisement or service provided under many of our marketing contracts end in the fourth quarter and revenues from such contracts are recognized ratably during such performance period. We expect to continue experiencing these seasonal variations in our quarterly results of operations after the completion of this offering for the reasons given above as well as due to changes in market and economic conditions. See "Risk Factors—Risks Relating to Our Business—You should not rely on our quarterly operating results as an indication of our future performance because our quarterly financial results are subject to fluctuations."

In addition, as a result of fixed costs, such as the base salary paid to our staff and rental expenses, our costs of revenues, selling expenses and general and administrative expenses have remained relatively stable despite fluctuations in our total revenues from quarter to quarter. We also recognized an income tax benefit of US$9.3 million in the third quarter of 2009 as a result of the qualification of certain of our PRC subsidiaries and consolidated controlled entities for preferential tax treatment as a "high and new technology enterprises strongly supported by the state" during the second half of 2009. See "—Results of Operations—Taxation—PRC Income Tax" above.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we have financed our operations primarily through internally generated cash and the sale of our shares to investors. As of June 30, 2010, we had approximately US$105.4 million in cash and cash equivalents. Our cash and cash equivalents primarily consist of cash on hand and demand deposits placed with banks or other financial institutions. All of our investments with original stated maturities of 90 days or less are classified as cash and cash equivalents. All of our investments with original stated maturities of greater than 90 days and less than 365 days are classified as short-term investments. As of December 31, 2008 and 2009 and June 30, 2010, we had short-term investments of US$24.9 million, US$28.6 million and US$37.6 million, respectively. As of December 31, 2008 and 2009 and June 30, 2010, we had net current assets of US$23.0 million, US$24.9 million and US$44.6 million, respectively.

We plan to make the remaining dividend payment of RMB 299.8 million (US$44.1 million) as of June 30, 2010, no later than June 30, 2011. Purchasers of ADSs in this offering will not be eligible to receive any of this previously declared and outstanding dividend. We intend to use our operating income overseas, including our license fees collected from our PRC subsidiaries and consolidated controlled entities and we also expect to seek debt or equity financing, which may include bank loans, equity offerings, convertible bonds, warrants or other equity-linked debt financings, to fund this payment. We believe that the payment of such dividend will not have a material adverse effect on our liquidity and capital resources. There are no PRC laws, rules and regulations restricting our ability to access funds to make these payments so long as we conduct these funding operations offshore at the holding company level or through our overseas subsidiaries. However, we will be required to obtain prior approval from SAFE if we endeavor to access funds from our PRC subsidiaries and/or our consolidated controlled entities through a funding method that is deemed by applicable PRC laws to be a foreign exchange transaction for capital accounts, such as a direct investment, loan or investment in securities outside China. See "Risk Factors—Risks Relating to China—Government control of currency conversion may limit our ability to utilize our revenues effectively."

We believe our current cash and cash equivalents and cash flow from operations will be sufficient to meet our present and anticipated cash needs, including for working capital and capital expenditures, for at least the next 12 months. We may, however, seek additional cash resources due to changed business conditions or other future developments, such as strategic alliances and acquisitions, new service development and expansion of our service offerings, to compete with alternative or different services and products offered by our competitors or to take advantage of market opportunities for our growth and/or technological improvements,

although we currently do not expect, and have no plans, to incur such expenditures. If these sources are insufficient to satisfy our cash requirements, we may seek additional sources of financing, including selling debt securities or additional equity securities or obtaining credit facilities to meet our cash needs. See "Risks Factors—Risks Relating to Our ADSs and This Offering—We may need additional capital, and the sale of additional ADSs or other equity securities could result in additional dilution to our shareholders, while the incurrence of debt may impose restrictions on our operations."

Occasionally, our marketing or listing customers may request that we provide commitment deposits or earnest money to them in exchange for being appointed as their exclusive online marketing or listing service provider. We have, to date, entered into commitment deposit arrangements with two of our related parties, in an aggregate amount not exceeding 9.1% of our cash and cash equivalents as of June 30, 2010. The terms of these arrangements typically require the commitment deposits to be returned within six months after the receipt of the deposits. As of the date of this prospectus, we have terminated the contract with one of the related parties, and the commitment deposit we paid to the property developer specified by our related party was repaid to us on July 16, 2010. Subsequently, we have entered into an exclusive web promotion technical service contract directly with the third party sales agent of the property developer that was previously the subject of the above-mentioned terminated contract. Under the new exclusive web promotion technical service contract, we agreed that a commitment deposit of up to RMB50.0 million (US$7.3 million) be made to the third party sales agent of the property developer, and that the specific amount and terms of the commitment deposit will be set forth in a separate agreement yet to be negotiated and concluded between us and the third party sales agent. None of the property developer, its sales agent or intermediaries for the project are our related parties. We plan to continue to selectively enter into such arrangements with non-related parties only when our management believes that it is commercially advisable and beneficial to do so, but we do not believe that such commitment deposit arrangements will substantially impact our business and funding needs in the future. See "Business—Arrangements to Promote Future Exclusive Marketing and Listing Business."

From time to time, we evaluate possible investments, acquisitions or divestments and may, if a suitable opportunity arises, make an investment or acquisition or conduct a divestment.

Cash Flows

The following table sets forth information regarding our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2007	2008	2009	2009	2010
			(US$ in thousands)		
Net cash generated from operating activities	30,493	44,568	65,966	24,005	18,198
Net cash generated from (used in) investing activities	(7,596)	(2,598)	(12,034)	8,927	(5,600)
Net cash used in financing activities	(2,647)	(16,210)	(24,789)	(24,241)	—
Net increase in cash and cash equivalents	21,774	28,954	29,217	8,713	13,129
Cash and cash equivalents at beginning of year/period	12,294	34,068	63,022	63,022	92,239
Cash and cash equivalents at end of year/period	34,068	63,022	92,239	71,735	105,368

Net Cash Generated from Operating Activities

We had net cash generated by operating activities of US$18.2 million in the six months ended June 30, 2010. This was primarily attributable to an increase in deferred revenue of US$25.3 million as a result of prepayments from customers across all business lines, in particular, for marketing and basic listing services. This amount was partially offset by a decrease in accrued expenses and other liabilities of US$6.5 million, primarily due to income tax payments for 2008 and a US$2.2 million deposit paid to a Hainan property developer specified by Dong Fang Xi Mei, a company 80.0%-owned by Mr. Mo, our founder and executive chairman, and 20%-owned by Mr. Dai, our president and chief executive officer, for the purpose of providing commitment deposits to this property developer to secure future online marketing business relating to its property project in Hainan, China. On July 16, 2010, the commitment deposit we paid to the Hainan property developer specified by Dong Fang Xi Mei was repaid to us by Dong Fang Xi Mei. See "Certain Relationships and Related Party Transactions—Related Party Loans and Other Payments."

We had net cash generated by operating activities of US$66.0 million in 2009. This was primarily attributable to our net income of US$52.6 million during this period, an increase in advances from customers of US$12.8 million as a result of more advances from our marketing and basic listing customers, and an increase in accrued expenses and other liabilities of US$7.9 million due primarily to an increase in other taxes and surcharges payable as a result of increased gross revenues and an accrued unrecognized tax benefit. This was partially offset by an increase of US$7.1 million in our accounts receivable due to the expansion of our business operations.

We had net cash generated by operating activities of US$44.6 million in 2008, which was primarily attributable to our net income of US$23.3 million during this period, an increase in accrued expenses and other liabilities of US$14.9 million due to an increase in accrued tax liabilities and was partially offset by an increase in accounts receivable of US$9.3 million due to the expansion of our business operations.

We had net cash provided by operating activities of US$30.5 million in 2007, which was primarily attributable to our net income of US$12.3 million during this period, an increase in advances from customers of US$8.2 million as a result of more advances from our marketing and basic listing customers and an increase in accrued expenses and other liabilities of US$4.6 million due to increases in accrued tax liabilities. This was partially offset by an increase in accounts receivable of US$2.9 million due to the expansion of our business operations, an increase in other non-current assets of US$0.6 million and an increase in prepayments and other current assets of US$0.4 million due to long-term rental deposits for our office space.

Net Cash Used in Investing Activities

Our net cash used in investing activities was US$5.6 million in the six months ended June 30, 2010. This was primarily due to a US$32.2 million increase in short-term investments in the form of fixed-term deposits in China and a US$3.6 million capital expenditure payment for the acquisition of property and equipment for our offices in the six months ended June 30, 2010. These amounts were partially offset by an increase in cash proceeds received from the maturity of short-term investments of US$23.5 million in the six months ended June 30, 2010 relating to our fixed-term deposits in China and a US$6.7 million repayment of our entrusted loan to Hengshui, a related party, on May 5, 2010.

Our net cash used in investing activities was US$12.0 million in 2009. This was primarily attributable to a US$35.9 million increase in short-term investments in the form of fixed-term deposits in China and a change in the amount due from related parties of US$6.8 million relating to an entrusted loan of US$7.3 million to Hengshui, which is a PRC company 51%-

owned by Mr. Mo, our founder and executive chairman, and 49%-owned by independent third parties, with the intention of providing commitment deposits to Hengshui to secure exclusive future marketing and listing business from Hengshui. The loan to Hengshui bore a stated interest rate of 10.0% per annum. The loan to Hengshui matured and was repaid on May 5, 2010. See "Certain Relationships and Related Party Transactions." These amounts were partially offset by an increase in cash proceeds received from the maturity of short-term investments of US$32.2 million relating to our fixed-term deposits in China.

Our net cash used in investing activities was US$2.6 million in 2008. This was primarily attributable to cash of US$24.0 million used for short-term investments in the form of fixed-term deposits in China and payment of US$2.0 million for the acquisition of property and equipment for our offices. These amounts were partially offset by cash proceeds received from the maturity of short-term investments of US$23.3 million relating to our fixed-term deposits in China.

Our net cash used in investing activities was US$7.6 million in 2007. This was primarily attributable to cash of US$23.2 million used for short-term investments in the form of fixed-term deposits in China and payments of US$1.7 million made for the acquisition of computer equipment and the renovation of our offices. These amounts were partially offset by cash proceeds received from the maturity of short-term investments of US$17.2 million from our fixed-term deposits in China.

Net Cash Used in Financing Activities

We did not have any net cash used in financing activities in the six months ended June 30, 2010, compared to net cash used in financing activities of US$24.2 million in the same period in 2009 attributable to dividend payments to our shareholders. We did not make any dividend payments in the six months ended June 30, 2010.

Our net cash used in financing activities in 2009 was US$24.8 million. This was attributable to dividend payments to our shareholders of US$24.2 million.

Our net cash used in financing activities was US$16.2 million and US$2.6 million in 2008 and 2007, respectively, and was primarily due to dividend payments to our shareholders. See "Dividend Policy."

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2009 and as of June 30, 2010:

	As of December 31, 2009	As of June 30, 2010
	(US$ in thousands)	
Operating lease commitments:		
Less than 1 year	3,333	4,942
1—3 years	4,543	6,586
3—5 years	—	23
More than 5 years	—	—
Total	7,876	11,551

Our operating lease commitments consist of office lease obligations for our offices in various locations across China. These leases expire at different times from December 31, 2010 through 2012, and will become subject to renewal. We intend to evaluate the need to renew each office lease on a case-by-case basis within a reasonable time prior to its expiration. Our

Beijing headquarters have been at their current location since December 2007, and the lease for such office space expires in December 2012.

As of June 30, 2010, we did not have any long-term debt obligations or purchase obligations.

Capital Expenditures

Our capital expenditures were US$1.7 million, US$2.0 million, US$1.6 million and US$3.5 million in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. In each of these periods, our capital expenditures were primarily related to the purchase of servers, computer equipment and other office equipment relating to our operations as well as renovations of our offices. The increase in capital expenditures from US$1.7 million in 2007 to US$2.0 million in 2008 was primarily due to expansion of our business operations. The decrease in capital expenditures from US$2.0 million in 2008 to US$1.6 million in 2009 was mainly due to the downsizing of some of our offices in the second half of 2008, which also impacted our expenses in 2009. Our capital expenditures increased in the six months ended June 30, 2010 primarily due to the purchase of additional computer equipment and the remodeling of our offices resulting from increased headcount. In addition, we expect our capital expenditures to increase in the future as our business continues to develop and expand as we make further improvements to our website and our services.

Restricted Net Assets

Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. Moreover, our PRC subsidiaries and consolidated controlled entities are required under applicable PRC laws, rules and regulations to allocate a portion of their annual after-tax profits, if any, to certain statutory reserves and funds prior to declaring and remitting dividends. For example, our wholly-owned PRC subsidiaries and our consolidated controlled entities are required to allocate at least 10.0% of their after-tax profits to statutory reserves until such reserves reach 50.0% of their respective registered capital, as measured pursuant to their respective PRC statutory accounts. Allocations to these statutory reserves and funds may only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. As of December 31, 2009 and June 30, 2010, the total amount of our restricted net assets was US$122.0 million and US$135.8 million, respectively, which consists of amounts our PRC subsidiaries and consolidated controlled entities had allocated to such reserves and funds, paid-in capital and retained earnings, as determined pursuant to PRC generally accepted accounting principles. Although these restrictions have not impacted the ability of our PRC subsidiaries and consolidated controlled entities to fund and conduct their respective businesses, these restrictions and any additional limitations on the ability of our PRC subsidiaries or consolidated controlled entities to transfer funds to us could severely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

Off-balance Sheet Commitments and Arrangements

We do not currently have any outstanding off-balance sheet arrangements or commitments. We have no plans to enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships established for the purpose of facilitating off-balance sheet arrangements or commitments.

Inflation

In recent years, China has not experienced significant inflation. According to the National Bureau of Statistics of China, the change in the consumer price index in China was 4.8%, 5.9% and -0.7% in 2007, 2008 and 2009, respectively. Recent inflation has not had a material impact on our results of operations. However, we cannot assure you that we will not be adversely affected by inflation or deflation in China in the future.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Liquidity Risk

The principal method we use to manage liquidity risk arising from liabilities is maintaining an adequate level of cash and cash equivalents with different banks. In 2007, 2008, 2009 and the six months ended June 30, 2010, we monitored our liquidity risks by considering the maturity of our financial assets and projected cash flows from operations. Our objective is to maintain a balance between a continuity of funding and flexibility through settlement from customers and subsequent payment to vendors to meet our working capital requirements.

Interest Rate Risk

Our earnings are affected by changes in interest rates due to the impact of such changes on interest income and expense from interest-bearing financial assets and liabilities. Our interest-bearing financial assets and liabilities are predominately denominated in Renminbi. Our financial assets consist primarily of cash deposits with fixed interest rates and receivables, and we do not have any interest-bearing debt obligations as of June 30, 2010. Therefore, our exposure to interest rate risks has been insignificant.

Foreign Currency Risk

Substantially all of our revenues, cash and cash equivalent assets, costs and expenses, are denominated in Renminbi, while a portion of our expenditures are denominated in foreign currencies, primarily the U.S. dollar. 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 as substantially all of our revenues and expenses are denominated in Renminbi and the functional currency of our principal operating subsidiaries and consolidated controlled entities is the Renminbi, although we use the U.S. dollar as our functional and reporting currency and the ADSs will be traded in U.S. dollars. Fluctuations in exchange rates, particularly those involving the U.S. dollar, may affect our costs and operating margins. Where our operations conducted in Renminbi are reported in U.S. dollars, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar and other foreign currencies without giving effect to any underlying change in our business or results of operations. For example, if the Renminbi had weakened 5.0% against the U.S. dollar with all other variables held constant, our profit for the relevant periods would have been US$0.6 million, US$1.1 million and US$2.5 million lower for the years ended December 31, 2007, 2008 and 2009, respectively. See “Risk Factors—Risks Relating to China—Fluctuations in the exchange rates of the Renminbi could materially and adversely affect the value of our shares or ADSs and result in foreign currency exchange losses.”

From time to time we manage to convert Renminbi into foreign currencies for purchases of equipment from overseas suppliers and for certain expenses. The Renminbi is not freely convertible into foreign currencies. In July 2005, the PRC government discontinued pegging the Renminbi to the U.S. dollar. However, the PBOC, regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate. Nevertheless, under China’s current exchange rate regime, the Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term.

Very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions 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 hedging transactions may be limited and we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into other currencies.

Credit Risk

Substantially all of our cash and cash equivalents are held in banks in mainland China and Hong Kong that our management believes are of high credit quality. We have policies that limit the amount of credit exposure to any bank. With respect to credit risk arising from other financial assets, comprising accounts receivable, commitment deposits to property developers in order to secure future marketing and listing business, amounts due from related parties and amounts due from subsidiaries, our exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments. We perform on-going credit evaluations of our customers' financial condition. Concentration of credit risk with respect to accounts receivable is limited due to the large number of entities comprising our customer base. No customer individually accounted for 10.0% or more of our revenues in any of 2007, 2008 and 2009 or the six months ended June 30, 2010. We generally do not require collateral for accounts receivable.

Fair Value Risk

Our financial assets mainly include cash and cash equivalents, account receivables, amounts due from related parties and investments in subsidiaries. Our financial liabilities mainly include other payables and advances from customers. The carrying amounts of our financial instruments approximate to their fair values as of the balance sheet date. Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2009-17, or ASU 2009-17,"Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities," which requires an analysis to determine whether a variable interest gives the entity a controlling financial interest in a variable interest entity. In addition, ASU 2009-17 requires an on-going reassessment and eliminates the quantitative approach previously required for determining whether an entity is the primary beneficiary. ASU 2009-17 is effective for us on January 1, 2010. The adoption of ASU 2009-17 is not expected to have a material impact on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, or ASU 2009-13, "Multiple-Deliverable Revenue Arrangements." ASU 2009-13 amends ASC sub-topic 605-25, "Revenue Recognition: Multiple-Element Arrangements," regarding revenue arrangements with multiple deliverables. These updates address how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, and how the arrangement consideration should be allocated among the separate units of accounting. These updates are effective for fiscal years beginning after June 15, 2010 and may be applied retrospectively or prospectively for new or materially modified arrangements. In addition, early adoption is permitted. By providing another alternative for determining the selling price of deliverables, the guidance for arrangements with multiple deliverables will allow companies to allocate arrangement

consideration in multiple deliverable arrangements in a manner that may better reflect the transaction's economics and will often result in earlier revenue recognition. The new guidance modifies the fair value requirements of previous guidance by allowing a "best estimate of selling price" in addition to vendor-specific objective evidence, or VSOE, and other third-party evidence, or TPE, for determining the selling price of a deliverable. A vendor is now required to use its best estimate of the selling price when VSOE or TPE of the selling price cannot be determined. In addition, the residual method of allocating arrangement consideration is no longer permitted under the new guidance. We are still assessing the impact of adoption of ASU 2009-13 on our consolidated financial statements.

INDUSTRY OVERVIEW

THE PRC ECONOMY

The PRC economy has been experiencing rapid growth since the PRC government adopted the "Open Door Policy" in 1978. According to the 2009 China Statistical Yearbook, China's GDP grew from RMB16.0 trillion to RMB30.1 trillion at a CAGR of 17.1% between 2004 and 2008. According to the National Bureau of Statistics of China, China's GDP grew by 8.7% in 2009 to reach RMB33.5 trillion. Based on China's GDP in 2008, the PRC economy was the third largest in the world, just behind the United States and Japan. Between 2004 and 2008, GDP per capita increased from RMB12,336 to RMB22,698, representing a CAGR of 16.5%. The following table sets forth China's GDP and GDP per capita for the periods indicated:

	Year ended December 31,					
	2004	2005	2006	2007	2008	CAGR 2004 - 2008
China GDP (RMB in billions)	15,988	18,322	21,192	25,731	30,067	17.1%
China GDP per capita (RMB)	12,336	14,053	16,165	19,524	22,698	16.5%

Source: 2009 China Statistical Yearbook

Accelerating Urbanization and Increasing Urban Household Income

Along with the rapid economic development, China has demonstrated an accelerating trend toward urbanization as well as an increasingly affluent urban population. Driven by industrialization in China, accelerated urbanization in China is evidenced by the migration of rural populations toward urban areas and the transformation of towns into cities. According to the 2009 China Statistical Yearbook, total urban population in China increased from 542.8 million in 2004 to 606.7 million in 2008, and urban population as a percentage of total population increased from 41.8% in 2004 to 45.7% in 2008. This urbanization has created robust demand for housing and is a key driver for the growth of the real estate industry.

As a result of rapid economic development in China, urban households have been able to enhance their spending power and thereby improve their living standards. Per capita annual disposable income of urban households in China increased from RMB9,422 in 2004 to RMB15,781 in 2008, representing a CAGR of 13.8%. This increase represents higher purchasing power for urban households throughout China. 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
Urban population (in millions)	542.8	562.1	577.1	593.8	606.7
Total population (in millions)	1,300.0	1,307.6	1,314.5	1,321.3	1,328.0
Urbanization rate (%)	41.8	43.0	43.9	44.9	45.7
Per capita disposable income of urban households (RMB)	9,422	10,493	11,760	13,786	15,781

Source: 2009 China Statistical Yearbook

ONLINE ADVERTISING MARKET IN CHINA

Internet Usage in China

The Internet has become a powerful medium for information, communication and commerce in the PRC and globally, and the number of Internet users in China has grown rapidly in recent years. According to China Internet Network Information Center, the number of Internet users in China grew from approximately 94.0 million in 2004 to approximately 384.0 million in 2009, representing a CAGR of 32.5%. At the same time, the Internet penetration rate increased from 7.3% to 28.9%. Despite being the largest Internet market in the world in terms of number of users, Internet penetration in China is still low compared to developed countries like the United States and Japan, each with a penetration rate of 76.2% and 76.8%, respectively, in 2009. The continuing development of Internet services, 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,					
	2004	2005	2006	2007	2008	2009
Number of Internet users in China (in millions)	94	111	137	210	298	384
Internet penetration rates in China (%)	7.3	8.5	10.5	16.0	22.6	28.9
Internet penetration rates in the United States (%)	64.8	68.0	68.9	71.8	74.0	76.2
Internet penetration rates in Japan (%)	62.4	66.9	68.7	74.3	75.4	76.8

Sources: China Internet Network Information Center and International Telecommunication Union

Online Advertising in China

According to iResearch, the online advertising market in China grew from RMB2.3 billion in 2004 to RMB17.0 billion in 2008, representing a CAGR of 64.9%. During the same period, online advertising as a percentage of overall advertising in China increased from 1.9% in 2004 to 8.4% in 2008. Forms of online advertising activities include, but are not limited to, Internet banners and other online graphic advertisements, product and storefront listings on online marketplaces and paid searches. Online advertising overcomes many of the physical limitations of traditional offline advertising by providing customers with access to detailed, searchable information that is frequently updated. Based on iResearch analysis, advertisers are becoming more familiar with, and increasingly recognize the benefits of, online advertising in China, and advertisers in China are utilizing online advertising as an important component of their overall marketing strategy. Online advertising is expected to continue to grow, and its revenues are expected to reach RMB58.5 billion in 2012, representing a CAGR of 49.9% from 2004. The following table sets forth online advertising revenues and its estimated growth rate from 2004 to 2012:

	Year ended December 31,									
	2004	2005	2006	2007	2008	2009E	2010E	2011E	2012E	CAGR 2004 -2012E
	(RMB in billions)									
Online advertising revenues in China	2.3	4.1	6.1	10.6	17.0	21.6	30.9	43.6	58.5	49.9%

Source: iResearch Inc.

There are a large number of small- and medium-sized enterprises, or SMEs, in China which offer a large base of potential online advertisers. The growing usage of the Internet for e-commerce activities among SMEs in China has led to and is expected to further drive a

significant increase in their online advertising budgets. Many of them may consider the Internet as a more attractive medium for advertising than traditional television, print or outdoor media. According to a survey conducted by iResearch in 2009, online marketing accounted for 8.4% of the total marketing budget in China and is continuing to grow as a proportion of overall marketing expenses of advertisers in China.

Online Real Estate and Home Furnishing and Improvement Advertising and Listing in China

With the rapid increase in disposable income in China, the demand for real estate and home furnishing and improvement information has also increased significantly in recent years. Home buyers and renters in China are increasingly seeking real estate and home furnishing and improvement information on the Internet because it offers comprehensive and accessible content that is updated frequently and is easily searchable. Online advertising also represents a more cost effective method to advertise than traditional media and has the potential to reach a greater audience. According to iResearch, online advertising spending in China related to the real estate industry grew from approximately RMB174.2 million in 2004 to RMB972.9 million in 2008, representing a CAGR of 53.7% over the period. Real estate-related online advertising is one of the top three growing segments among the major industries identified below. From 2004 to 2008, the contribution of real estate online advertising spending among major industries increased from 10.9% to 13.3%. The following table sets forth online advertising spending by major industries in China for the periods indicated:

	Year ended December 31,				
	2004	2005	2006	2007	2008
			(RMB in millions)		
China online advertising spending by major industries					
Real estate	174.2	457.5	538.2	720.2	972.9
Other major industries (1)	1,417.5	1,773.2	2,484.0	3,934.4	6,346.5
Total	1,591.7	2,230.7	3,022.2	4,654.6	7,319.3

Source: iResearch Inc.

(1) Other major industries include IT products, transportation, network services, communication, consumer electronics, financial services, food and beverage, retail and services and apparel.

CHINA'S REAL ESTATE MARKET

Growth of the Primary Real Estate Industry in China

The primary real estate industry in China has grown rapidly in recent years. According to the National Bureau of Statistics of China, the total GFA of residential properties sold in China grew from 338.2 million sq.m. to 592.8 million sq.m. from 2004 to 2008, representing a CAGR of 15.1%. In 2008, however, the combination of the global financial crisis and government measures to restrain unsustainable growth and speculation in the PRC real estate industry, which were implemented prior to the global financial crisis, among other things, led to a downturn in the property sector in China. China's real estate industry rebounded in early 2009 and, since then, many cities have experienced increases and fluctuations in real estate prices and transaction volumes. The following table sets forth the total GFA, the average selling price and total revenues for residential properties sold and total properties sold in China for the periods indicated:

	Year ended December 31,					
	2004	2005	2006	2007	2008	CAGR 2004 - 2008
Total GFA of residential properties sold (sq.m. in millions)	338.2	495.9	554.2	701.4	592.8	15.1%
Total GFA of properties sold (sq.m. in millions)	382.3	554.9	618.6	773.6	659.7	14.6
Average selling price of residential properties (RMB per sq.m.)	2,608	2,937	3,119	3,645	3,576	8.2
Average selling price of properties sold (RMB per sq.m.)	2,778	3,168	3,367	3,864	3,800	8.1
Total revenues of residential properties sold (RMB in billions)	1,036.0	1,456.4	1,728.8	2,556.6	2,119.6	19.6
Total revenues of properties sold (RMB in billions)	1,260.1	1,757.6	2,082.6	2,988.9	2,506.8	18.8%

Sources: 2009 China Statistical Yearbook and the National Bureau of Statistics of China

China's Primary Real Estate Services Market

The primary real estate services market in China is competitive and fragmented, with market participants ranging from companies with national presence to local companies handling projects on an ad hoc basis. Due to its recent emergence and rapid growth, China does not yet have an efficient institutional infrastructure for the dissemination and exchange of information. In particular, there are limited sources of comprehensive and integrated information on China's real estate market conveniently accessible by buyers, developers or other principal industry participants. Currently, most advertising in China is done through offline media such as television, newspapers and magazines. Real estate developers typically utilize several forms of media to publicize new developments. As online advertising is typically more cost-effective and tends to yield more measurable impact than traditional media, online advertising of new real estate developments has increased significantly in recent years. According to iResearch, online advertising has grown from 0.7% of the market share of advertising spending in China in 2002 to 8.4% in 2008 and is continuing to grow as a proportion of overall marketing expenses of advertisers in China, with many advertisers spending approximately 10% or more of their overall market expenses on online advertising in 2008.

Real estate developers may choose to list their properties on the Internet as a result of the high visitor traffic of real estate websites, which would ensure significant exposure of their property listings, or through solicitation by sales agents at the various real estate information websites. Real estate developers could typically opt for a combination of advertising and listing packages with which to promote their properties. These advertisements and listings may generate "leads" for a developer and may help direct more consumer traffic to the real estate developer's website, as listings and advertisements can be linked directly to its website. Moreover, online advertising through real estate-focused Internet portals help real estate developers minimize the time lag between information collection and publication and help facilitate the timely update of information.

Prospective buyers in China are increasingly using the Internet for real estate search. As most real estate information websites typically provide special search functions that allow prospective buyers to tailor property search results based on their preferences for location, proximity to transportation, proximity to certain school districts, property size and price, online real estate listings on real estate information websites help prospective buyers direct their search toward properties which fit their specific criteria and allow them to learn about the properties prior to viewing them in person. This filtering process prevents prospective buyers from spending unnecessary time visiting properties that they would have decided not to visit had they had access to more comprehensive information about them.

Government Policies and Housing Reforms

Before the late 1980's, real estate development in China was part of China's centrally planned and controlled economy where the government provided housing for its population as part of its welfare system. In 1998, the state-allocated housing policy was abolished and people were encouraged to buy or rent their own homes at rates closer to prevailing market levels. As home ownership increased, the mortgage market also flourished. Fueled by policies that encourage individuals to purchase their own properties with mortgage financing, the PRC real estate market has experienced remarkable growth in the past decade. Since 2003, the PRC government has taken actions to cool down the real estate market in the following areas:

- more rigorous administration of real estate loans;
- measures to regulate and control the real estate development projects;
- promulgation of relevant tax measures to discourage speculation in the real estate market; and
- additional measures to discourage speculation on luxury residences.

China's Secondary and Rental Property Markets

The secondary property market is at a relatively early stage of development compared to the primary market, due to the large number of new properties available and PRC governmental restrictions on resale of state-assigned properties, which account for a large but diminishing portion of total housing properties in China. The secondary property market is expected to grow quickly in the coming years as increasing numbers of high-quality properties in desirable locations become available, as buyers move into secondary properties being vacated by buyers of new properties, and as the proportion of state-assigned properties diminishes.

As both the new and secondary property markets continue to develop in China, we expect that the rental market will also become increasingly active. The rental price index published in the 2009 China Statistical Yearbook indicated a rental price increase of 1.4%, 2.6% and 1.4% in 2006, 2007 and 2008, respectively. Compared to the selling price index increase of 5.5%, 7.6% and 6.5% over the same period, the rental market prices has remained more stable. As

urbanization-driven demand for housing in China continues, we believe the rental market is poised for growth.

Combining the effects of increasing competition among property developers, brokers and agents, along with the growing supply of secondary and rental properties in China, we anticipate the demand for online advertising, online listing and other Internet services to continue to grow in the foreseeable future.

Emergence of the Mortgage Lending Market

Since the introduction of housing reforms and related government policies encouraging private home ownership, China's residential mortgage market has grown significantly. The availability of residential mortgages has supplemented prospective buyers' ability to purchase residential real estate and fueled the development of the PRC real estate industry. According to the People's Bank of China, the aggregate balance of outstanding mortgage loans for residential properties in China grew from RMB1,178 billion in 2003 to RMB2,980 billion in 2008, representing a CAGR of 20.4%. The availability of residential mortgages is expected to continue to contribute to an increasing proportion of urban residents owning private properties in the near future.

China's Home Furnishing and Improvement Market

The home furnishing and improvement sector in China can be broadly divided into three categories: home improvement, which includes interior design and decoration, home furniture and home appliances. According to Datamonitor Inc., an independent information and market analysis company, the market value of the home improvement industry in China grew from RMB212.0 billion in 2004 to RMB357.6 billion in 2008, representing a CAGR of 14.0%. According to the 2005-2009 China Statistical Yearbooks, the per capita annual living expenditure of urban households for household facilities and services grew from RMB407 in 2004 to RMB692 in 2008, representing a CAGR of 14.2%. We believe this trend will continue, in line with the growth in per capita disposable income growth.

The home furnishing and improvement sector in China is flourishing largely as a result of a strong residential real estate market, the large number of unfurnished, newly constructed units, and a growing middle class that is seeking higher living standards. It is common in China for new residential properties to be delivered as unfinished, empty shells, and new home owners will subsequently fit out, decorate and furnish the units on their own. As a result, the home furnishing and improvement sector represents a large and growing market in China. We believe that the growing home furnishing and improvement market has created significant demand for home furnishing and improvement advertising services and that this demand is currently underserved by respective advertisers.

BUSINESS

OVERVIEW

We operate the leading real estate Internet portal in China in terms of the number of page views and visitors to our website in 2009, according to a report issued in March 2010 by DCCI, an independent market research institution, commissioned by us. We are also a leading home furnishing and improvement website in terms of unique visitors according to research from CR-Nielsen, an independent market research firm, commissioned by us. According to a report issued in March 2010 by CR-Nielsen, our website, *www.soufun.com*, had a 46.3% market share of the online real estate advertising market in China in 2009 by estimated revenues. Through our website, we provide marketing, listing and other value-added services and products for China's fast-growing real estate and home furnishing and improvement sectors. Our user-friendly website supports an active online community and network of users seeking information on, and other value-added services and products for, the real estate and home furnishing and improvement sectors in China. Our current and forthcoming service offerings include:

- *Marketing services:* We offer marketing services on our website, mainly through advertisements, to real estate developers in the marketing phase of new property developments as well as to real estate agencies and other home furnishing and improvement vendors who wish to promote their products and services, including home furnishing and improvement products and services, furniture, electronics and other products. We also intend to integrate paid priority placement of customer links in keyword search results into our current search and search ranking services. The substantial majority of our revenues are derived from marketing services;
- *Listing services:* We offer basic and special listing services. Basic listing services are mainly offered to real estate agents, brokers, property developers, property owners and managers and providers of home furnishing and improvement products and services, and allow them to post information on properties, home furnishing and improvement and other related products and services on our website. Special listings consist of a customized marketing program primarily involving the coordination and promotion of offline themed events; and
- *Other value-added services and products:* We offer subscription-based access to our information database, research reports and "total web solution" services, which integrate our customers' services and products into our website, and also include website design services.

We have built a large and active community of users who are attracted by the comprehensive real estate and home furnishing and improvement content available on our portal that forms the foundation of our service offerings. We currently maintain 63 offices to focus on local market needs. As of June 30, 2010, our website and database contained:

- over 139,000 listings for new residential property complexes, approximately eight million listings of secondary and rental properties, as well as over 140,000 listings of commercial properties for sale and lease;
- over 8,000 brands and one million listings from home furnishing and improvement vendors across China; and
- content coverage of real estate-related content, search services, marketing and listing coverage of 106 cities in China.

Our user base has also attracted numerous customers, which include real estate developers, real estate agents and brokers, property owners, property managers, mortgage brokers, lenders and suppliers of home furnishing and improvement products and services. According

to a report issued in March 2010 by DCCI, we obtained advertisements from 60.0% of online real estate advertisers among real estate information services websites in China in 2009. Our diverse offerings and broad geographic coverage have resulted in an active and dynamic online community that provides an effective and targeted channel for advertisers to market their products and services, and serves as a centralized source of information, products and services for consumers interested in the real estate and home furnishing and improvement markets.

In 2007, 2008, 2009 and the six months ended June 30, 2010, we had revenues of US$57.9 million, US$104.1 million, US$127.0 million and US$68.2 million, respectively. During the same periods, our net income attributable to our shareholders was US$12.2 million, US$23.4 million, US$52.7 million and US$5.3 million, respectively. Marketing, listing and other value-added services and products accounted for 80.6%, 13.8% and 5.6%, respectively, of our revenues in 2009 and 66.9%, 20.5% and 12.6%, respectively, of our revenues in the six months ended June 30, 2010. According to CR-Nielsen, in 2008 and 2009, our website, *www.soufun.com,* received a weekly average of over 8.2 million and 9.8 million unique visitors, respectively, and generated a weekly average of over 12.0 million and 12.3 million website visits, respectively.

OUR STRENGTHS

We believe we have the following strengths, which have enabled us to become a leading real estate and home furnishing and improvement Internet portal in China:

Leading market position and national brand name with powerful network effects

We were a pioneer in the early stages of China's rapidly growing real estate and home furnishing and improvement market, and believe we have developed into one of the largest Internet portals for real estate and home furnishing and improvement listings and information in China. We believe our early and focused development of the SouFun and "搜房" brand names, which mean "home search" in Chinese, has contributed to our steadily increasing market share in China. According to a report issued in March 2010 by DCCI, we obtained advertisements from 60.0% of online real estate advertisers among real estate information services websites in China in 2009. Strong market awareness of our brand has also attracted more traffic to our website, allowing us to charge higher service fees and recruit quality employees.

We used our early mover advantage to attract the largest number of visitors and page views of any China-based, property-focused web portal through the depth and breadth of content available on our website. By dedicating resources to the expansion and maintenance of our information database and geographic coverage, we provide content that is relevant and targeted, thereby attracting a large base of users and subscribers. This in turn has made us more attractive and valuable to advertisers, property developers and other industry participants, which continues to enhance the content of our website, thereby attracting even more consumers and users. This results in an online ecosystem that has become more valuable and appealing to all our customers. We believe this positive reinforcing network and feedback effect has made us more attractive to advertisers, property developers and other industry participants, reinforced our brand and leading position, and led to more users and customers turning to our website as their primary destination for real estate and home-related information in China.

Broad geographic coverage with local market expertise and highly scalable business model

We believe we have one of the broadest geographic coverages compared to other providers in the real estate and home furnishing and improvement Internet industry in China

and are able to rapidly expand into new geographic areas. As of June 30, 2010, our website provided real estate-related content, search services, marketing and listing coverage of 106 cities in China, supported by our on-the-ground personnel in 63 offices. Our strong local presence enables us to collect valuable current data and information, localize content to increase relevance for users and effectiveness for our advertisers and listing customers, tailor our sales efforts and marketing and listing services to local conditions, and provide close after-sales support and services. We believe our ability to deliver consistent and high-quality services to customers in these local markets further enhances our leading market position.

In addition, we believe our integrated Internet and technology platform enables us to expand our operations quickly and cost-effectively. Historically, we have entered into new geographic markets by establishing a strong presence with our new home business and with our specialized and experienced team of sales and technical personnel. Building upon the success of the new home business, we progressively expand our offerings by launching our secondary and rental property, home furnishing and improvement and research businesses. Such phased expansion enables us to leverage existing market presence, brand awareness, use of local in-house sales teams and the customer base established by our existing services to enhance our competitiveness in the new market. We believe the scalability of our business model can effectively improve capital efficiency, serve to control incremental costs and further expand our operations into additional cities in China.

Extensive customer relationships and strategic partnerships in China

Since commencing operations in 1999, we have cultivated long-term relationships with many of the leading real estate developers, real estate agents, property managers, mortgage brokers, home furnishing and improvement products suppliers, governmental agencies and academic institutions in China. We are a valuable resource for our customers, enabling them to effectively target and reach real estate and home furnishing and improvement consumers across China through our high user traffic, broad geographical reach and customized promotional services. During 2009, all of the top 10 real estate developers in China, as ranked by the China Real Estate Top 10 Research team, and large real estate agencies, including Centaline Property Agency Limited and Midland Realty, entered into contracts with us for marketing services or listing services. These customers, in the aggregate, accounted for less than 10% of our total revenues in 2009. All of these real estate developers and real estate agencies have been our customers for more than four years. We also maintain strong relationships with top academic and research institutions involved in China's real estate and home furnishing and improvement industries in China and collaborate with leading industry associations to develop industry standards. We believe these relationships contribute to our reputation and have been fundamental to the development of our leading market position.

Robust technology platform with focus on user experience

We have designed an intuitive and easy-to-use web-based user interface that clearly presents our product and service categories to users. By combining proprietary in-house and third-party technologies, we have implemented a technology infrastructure that is reliable and scalable and allows us to handle high levels of data flow. Our search platform is designed to facilitate the provision of targeted, accurate and rapid search results, and our user-friendly website design, content menus and search functions contribute to the overall popularity of our site. Our intuitive interface and search options give users fast and easy access to targeted searches from our extensive range of real estate and home furnishing and improvement content and information, including in-depth and up-to-date information on specific real estate development projects, macroeconomic, demographic and industry-specific research, statistics and news. We believe the positive user experience has contributed to our leading market

position and is evidenced by the growing number of visitors to our website and the continued use of our website for advertisements and listings by key industry participants.

Our database enables developers and other industry participants to search, retrieve and compile valuable data on local and regional market trends. We believe our 11 years of experience in the provision of database information and the significant amount of time, resources and expertise required to develop and maintain a comprehensive and up-to-date research database have attracted a range of leading industry participants as customers and are effective barriers to entry for potential competitors.

Experienced management team with extensive industry knowledge and proven track record

Our senior management team has an average of over eight years of experience in the Internet and real estate sectors in China and abroad, which has helped us to address the needs of our customers and users and effectively monetize our web traffic through various product and service offerings. The experience and entrepreneurial approach of our management team have contributed to our strong financial and operational track record, the ability to address the rapidly changing opportunities for online services in the PRC real estate and home furnishing and improvement market and our capacity to expand into new revenue-generating markets in an organized, systematic and disciplined manner. Our senior management's extensive knowledge and experience providing online services to the PRC real estate industry have also helped them to cultivate strong relationships with industry leaders, governmental agencies, academic institutions and other industry participants, which we believe will contribute to our future growth.

OUR STRATEGIES

We intend to continue building an online destination that appeals to a wide variety of consumers and provides a comprehensive and in-depth source of real estate, home furnishing and improvement information and other value-added services and products. We intend to further consolidate our position as a leading real estate and home furnishing and improvement Internet portal in China by strengthening our customer relationships and expanding our service platform and geographic reach. To achieve this goal, we will pursue the following strategies:

Strengthen relationships with customers through premium, customized services

We plan to further strengthen our relationships with existing customers by focusing on customized service packages that address targeted, specialized needs. By providing new value-added services and products and ensuring high levels of customer service, we intend to increase customer retention and improve loyalty among our core group of users. In particular, we intend to collaborate more closely with customers to provide customized service packages that leverage our extensive online content, local market expertise and broad geographical coverage. We believe that providing customized value-added services and products will enable us to maintain premium pricing and increase gross margins. As we expand our business across all major product lines, particularly our home furnishing and improvement business, we believe we can assist our customers to reach targeted consumers in China's growing and diverse localized real estate markets. In addition, as new residential properties in China are typically delivered as unfurnished units, we believe there is significant demand for a comprehensive and centralized platform that connects new home buyers and consumers with providers of a broad range of furnishing and improvement products and services. As we continue expanding our proprietary database, we will analyze user search statistics and other website metrics to update and optimize content for users, as well as provide advertisers, developers and suppliers with data and statistics to better target users on our website. We will also

expand our sales force to provide focused, informed and tailored customer service to key customers.

Strategically phase in service offerings in our existing network of cities

We believe that introducing the full range of services we offer in the local markets we already serve helps strengthen our reputation and solidify our market share within developing cities. As of June 30, 2010, our website provided real estate-related content, search services, marketing and listing coverage of 106 cities across China. We typically expand our services into cities by offering marketing and listing services related to new residential property developments. Once we establish coverage of a city as well as regional support through one of our local offices, we become well-positioned to monitor the local real estate and home furnishing and improvement markets. This enables us to optimize phased roll-out of our full suite of services on a city-by-city basis, including marketing, listing and other value-added services and products for first, secondary and rental properties and then for home improvement and furnishings. The timing and location of the phase-in will be based on market conditions, the growth levels of the real estate industries in those cities and demand from our customers and users. While we believe our existing cities will continue to be the focus of our operations and development strategy in the near future, we also plan to expand our local presence through the establishment of additional local offices, which will allow us to increase our reach and interact directly with local advertisers and members of each local real estate community. As China's economy and urban population continue to grow, we will also continually identify and evaluate potential new cities for expansion through our phase-in approach.

Leverage our user base to introduce and monetize additional product offerings

As our user community grows, we intend to focus on achieving additional sources of revenues by offering new services made possible through access to the largest community of Internet users seeking information on the real estate and home furnishing and improvement markets in China. We believe our growing user base and our prominent reputation will enable us to attract more national brand-name companies and advertising agencies focused on the real estate and home furnishing and improvement industries in China. We also plan to explore opportunities to grow our services horizontally by expanding our marketing and listing services for office and warehouse property listings. We also intend to vertically grow our business by strengthening our Internet value-added services and products. In markets such as Beijing, Shanghai and Shenzhen that are already strong sources of our marketing and listing service revenues, we intend to pursue these strategies as a means of broadening our overall customer base and expanding our sources of revenues. We believe these initiatives will help us attract more customers and capture a higher proportion of their overall marketing or listing budget. We also believe that there are strong network effects from offering additional products and services as they attract additional visitors to our Internet portal, which in turn attracts more industry participants and continues to enhance our content.

Continue to enhance our technology platform and user interface to strengthen user experience

In order to respond to the large increase in visitors to our website, we believe it is important to continue to expand and upgrade our IT systems by expanding our website's functionality, ease of use and reliability. We will continue to invest resources in technology and product development to improve our systems and the features on our website and to enhance user experience. Potential new features and services we plan to introduce include improved listing features, website functions and the continuously improving functionality of our community-oriented services, such as online discussions and user-generated content, and our SouFun membership program. By enhancing the user and community experience, increasing the

breadth and depth of our content and enabling the active participation of industry players in a wide range of real estate and home furnishing and improvement businesses, we believe we will attract new users and customers to our Internet portal as well as increase the loyalty to and effectiveness of our website in retaining our existing user community.

Selectively pursue strategic alliances and acquisitions

We will also continue to pursue strategic alliances with market leaders to broaden our customer base and product and service offerings. We believe there are opportunities to further cooperate with other Internet companies, including search engines and community websites, which have broader user bases and could benefit from our extensive content and focused user community. We may from time to time consider the strategic acquisition of assets, technologies and businesses that we consider complementary to our business. We believe strategic alliances will enable us to improve our product offerings and extend our reach, while our ability to grow organically and through selective acquisitions will allow us to maintain a maximum degree of flexibility and enhance our ability to respond to changing market conditions, technological advances and consumer preferences.

OUR SERVICES

We provide (i) marketing services, (ii) listing services and (iii) other value-added services and products to participants in the PRC real estate and home furnishing and improvement sectors primarily through our website.

Marketing Services

We target our marketing services toward participants in China's real estate and home furnishing and improvement sectors. Marketing is our most important business and represented 80.4%, 82.8%, 80.6% and 66.9% of our revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. Our marketing services are delivered through our website and include traditional Internet advertisements such as banners, links, logos and floating signs, as well as featured promotions, which are specially-tailored packages of traditional online advertising tools, such as Internet advertisements combined with our other services. Customers of our marketing services include participants in the real estate market and providers of a broad range of real estate and home furnishing and improvement services in China, such as:

- real estate developers;
- real estate professionals, such as agents and brokers;
- retailers and other suppliers of home furnishing and improvement products and services;
- home design, decoration and re-modeling companies; and
- banks offering residential mortgage loan products.

A typical advertising campaign includes simple banner advertisements using the customer's graphics and logos with the fee based primarily on the location of the banner on our website, the geographical market, the number of web pages containing the banner and the length of time that the banner remains on the website. A more complex advertising campaign may employ a wider array of website advertising tools, such as the addition of floating signs, deeper penetration of the website through placements in multiple sections based upon the relevance of the sections to the customer's products and services, advertising design and campaign consultation and more complex graphics. Individual advertising campaigns typically last from several days to more than one year, but may be extended for longer periods to meet customer requirements.

We also plan to launch paid search and search ranking services through our advanced search engine. Currently, users can access the search engine on our website to help them search our website to find properties or home furnishing or improvement products and services of interest through keyword searches and category listings in the search page of our website. This search engine is complemented by a browsing function which facilitates easy review of information on available properties to help facilitate the search process for users. Upon launch of our paid search and search ranking services, our customers, including real property developers, brokers, agents as well as home furnishing and improvement product and service providers will be able to bid for priority placement of their links in keyword search results.

We also combine these traditional online advertising tools with our other services to create featured promotion packages for our customers. Using the inherent flexibility of website advertising, we create customized marketing and promotional packages customized with additional features at the request of our customers to meet the different needs of various customers operating in diverse geographic markets in China. Additional revenues could often be generated by adding features without incurring significant additional costs. Marketing services have been and will continue to be a growth area for us, as we believe that participants in China's real estate and home furnishing and improvement sectors are increasingly looking to the Internet as an additional vehicle through which to attract customers.

We generally enter into two main types of marketing contracts with our customers. The first type is a framework contract with payment due on a monthly basis. The second type is a general contract in which payment must be made on either a quarterly or semi-annual basis or with 50% of the contract amount payable within seven days of the date of entry into the contract and the remainder payable within seven days of the expiration of the contract. We typically offer discounts to our largest customers based primarily on the monetary value of their marketing contracts with us. Such discounts are agreed with our customers at the time of entry into marketing contracts in accordance with guidelines established by our management on an annual basis for each geographic market based on the package of features and services requested, the duration of the marketing campaign, as well as our overall marketing relationship with each such customer. Our marketing contracts are typically one year in duration. Some of our marketing customers may enter into multiple contracts with us during the course of a year for different property developments.

Listing Services

Our listing services include basic listing services and special listing services. In 2007, 2008, 2009 and the six months ended June 30, 2010, our listing services generated 17.1%, 15.4%, 13.8% and 20.5% of our revenues, respectively. Since 2005, we have also expanded our listings to the home furnishing and improvement sector, enabling suppliers of home furnishing and improvement products and services to participate in special listing programs tailored to their needs, and developing a basic listing database that allows visitors of our website to search for such product suppliers and service providers in China's home furnishing and improvement sector.

Basic Listing Services. Basic listing services, which are offered to agents, brokers, property developers, property owners, property managers and others seeking to sell or rent new and secondary properties, generated approximately 49.8%, 53.5%, 65.6% and 76.0% of our listing service revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively.

Property developers, owners, agents, brokers, managers and suppliers of home furnishing and improvement products and services subscribe to our basic listing services. Their subscription fees entitle them to posting multiple listings for properties or home furnishing and

improvement products and services over the subscription period. The subscription fees are generally fixed and vary from city to city. For example, subscribers in Beijing are generally permitted to post up to 60 individual listings per day for 30 days. These listings may be refreshed or replaced with new listings up to 1,800 times per month. At the time of entering into subscription contracts, we also offer discounts to certain subscribers based on factors such as the total number of listings purchased, the contract amount and our overall relationship with the subscriber, according to guidelines established by our management annually for each geographical market. In certain circumstances, we may adjust our standard discounts based on our overall relationship with such subscriber. We and our customers agree to any applicable discount at the time of entry into online listing subscription contracts.

Our basic listing subscription contracts are typically one to three months in duration and are renewable upon expiration upon mutual agreement of the parties. We typically collect payments for subscriptions for our basic listing services upon the signing of a subscription contract. The remainder of the contract is payable in installments every three months until the end of the contract term. Some of our basic listing customers may enter into contracts with us for multiple online listing subscription accounts during the course of a year.

We provide subscribers with a simple software program to assist them to complete and submit their listing information in a standardized format. Information submitted by basic listing subscribers is uploaded to our website by our staff. Alternatively, subscribers may also provide a link to the listings covered by the subscription contract and located on their own website or database.

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. For online listings submitted by agents or brokers, their names or the names of their companies will appear as links that allow visitors to click through to additional listings promoted by the same agents or brokers. This overall structure, with some variations, applies to basic listings for new, secondary and rental properties as well as home furnishing and improvement products and services.

Individual property owners may also list their own properties for sale or rent on our property listing sections without charge. Such free listings do not enjoy prime positioning and are strictly limited to individual, non-real estate professional home owners. To help prevent real estate professionals from abusing the individual property owner basic listing service, we have created a customer hotline for our users to report any abuse.

In late 2008, we began to offer free trials of our basic listing services. These free trials allow users to preview our basic listing services and gain exposure to our high user traffic. While there is no time restriction on our free trials, we believe there are significant incentives for free trial users to upgrade their free trial accounts to paid subscriptions for our basic listing services. For example, because listings posted through free trial accounts are featured in less prominent positions and rankings than those of subscribers, we believe free trial users are incentivized to upgrade to a subscription package in order to ensure maximum exposure for their listings. As of December 31, 2007, 2008 and 2009 and June 30, 2010, we had 28,742, 50,549, 89,826 and 116,377 paid online listing subscription accounts through which our basic listing customers could post property listings. As of December 31, 2008 and 2009 and June 30, 2010, we had 78,225, 384,553 and 652,401 free online listing subscription accounts through which basic listing trial account users could post property listings.

Our basic listing service helps us build our comprehensive database of information regarding new, secondary and rental properties as well as home furnishing and improvement products and services in major urban centers across China. The increasing amount of our basic listings results in increased user traffic on our website, which we believe can be

leveraged to yield more advertising and special listing customers and higher marketing and special listing fees from our institutional customers.

We update the listing data on our website on a daily basis through our proprietary content management process and software. This proprietary content management process is monitored by our listing monitoring team and allows agents, brokers, property developers, property owners and managers and others to submit new, secondary and rental property listing information in a specific format. During the course of periodic checks and verifications of listing information by our listing monitoring team, our team may encounter false listing information, including, among others, listings in which (i) a real estate agent or broker poses as an individual property owner in order to take advantage of free basic listing services offered to such property owners, and (ii) real estate agents or brokers post false listings of properties for sale or rent, false information on the sale or rental price of a property and duplicate listings of a same property. While we are unable to verify all information posted on our website, to help us identify and limit unreliable data, our listing monitoring team, with the assistance of our proprietary software program, periodically checks all listing information uploaded to our website to search for common anomalies in posted information. We motivate our listing monitoring team to locate and rectify false listing information by offering bonuses to team members who are able to identify the most false listing information. To encourage proper handling of false listing information by our listing monitoring team, and to reward our listing monitoring team members on a merit basis, we also maintain a point system in which we assign bonus points to staff for rectifying false listing information within 24 hours and penalty points for each instance in which misconduct in posting false listing information is not identified and handled on a timely basis. Once we discover false information in a listing, we liaise with the real estate agent or broker to rectify the listing immediately. If such listing information is not revised on a timely basis, we will move it into a database that cannot be accessed by our users.

Special Listing Services. Special listing services are a specialized form of marketing program or event provided primarily to property developers marketing new property developments. Special listing services represented approximately 50.2%, 46.5%, 34.4% and 24.0% of our listing service revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively.

Through collaboration among our research, product development and sales personnel, we identify property developments with similar attributes and create a plan for collectively promoting such property developments in a “special listing,” typically in the form of an offline event. Once we determine a theme for a special listing program and identify suitable property developments for the program, our marketing and sales staff directly contact the targeted developers to solicit their participation in the special listing program. Each participating project developer pays a specified fee to list its development in our special listing section for the duration of the program, which generally ranges from three months to one year. Some examples of our special listings include events and promotions for the top 100 PRC property developers and the China Villa Festival. We organized and hosted, both online and offline, six consecutive China Villa Festivals from 2004 to 2009, which is an annual event that attracts media and real estate professionals, economists and industry academics. This special listing event was coupled with a marketing program which promoted and advertised various villa projects across 100 cities in China. We believe growth in new property developments will continue in order to meet the needs of China’s growing and increasingly affluent urban population, providing a steady market for this type of listing service.

Other Value-added Services and Products

In addition to marketing and listing services, we also provide other value-added services and products, including online content subscriptions, research and “total web solution”

services. Other value-added services and products represented 2.5%, 1.8%, 5.6% and 12.6% of our revenues in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively.

Online Content Subscription and Research Services. We utilize our extensive PRC real estate database and research capabilities to provide online content relating to the real estate sector through our website. We categorize our online content subscription and research services into four key areas: real estate database access, research services, real estate industry and company-specific research reports and home furnishing and improvement-related research. Our customers include PRC real estate enterprises as well as government entities. Our research group, China Index Academy, combines our research department resources with an advisory panel of leading real estate experts and industry professionals. The advisory panel provides strategic research guidance, identifies key issues facing the PRC real estate market and acts as an advisory board to the China Index Academy and us.

We provide online content subscription services on either a flat-fee subscription basis for database access or a per-project basis for our research services. We charge subscription fees based on the number of databases that the subscriber would like to access.

"Total Web Solution" Services. "Total web solution" services include assistance integrating customer's services and products into our websites as well as website design services. Customers interested in targeting consumers in the real estate and home furnishing and improvement sectors often request our assistance with website management, establishing website traffic tracking tools and electronic bulletin board services, a type of online information service that offers a shared environment where visitors to the website can leave messages, retrieve messages, engage in online discussions and exchange information with other visitors. We believe our total web solution services enable us to enhance our relationship with our customers, by providing an additional avenue through which we can cross-sell other services, such as marketing and special listing services. We believe our total web solution services also serve as an effective tool to educate and train our customers in marketing strategies. Such training is particularly important for smaller cities where local Internet penetration and sophistication may be lower than the larger and more developed cities in China.

Beginning in 2009, we also began providing marketing services to home furnishing and improvement vendors in exchange for prepaid cards issued by such vendors due to the financial crisis' impact on the ability of our customers to pay for our services. The prepaid cards contain monetary value in denominations varying from RMB20 to RMB2,000 that can only be used to purchase certain products from the vendors' specified stores and are not redeemable for cash. We sell the prepaid cards, typically at a discount to their stated monetary value, to external parties. As of December 31, 2009 and June 30, 2010, we held 61,681 and 159,164 prepaid cards, respectively, with a face value of US$6.3 million and US$11.7 million, respectively, which will expire between April 2010 and March 2011. We discontinued the acceptance of prepaid cards in exchange for our marketing services in July 2010. We expect to sell all the remaining prepaid cards by the end of 2010.

OUR WEBSITE

Our website, *www.soufun.com*, is a leading real estate and home furnishing and improvement Internet portal in China in terms of:

- *Visitor traffic:* According to CR-Nielsen, our website received a weekly average of over 8.2 million and 9.8 million unique visitors in 2008 and 2009, respectively;
- *Page views:* According to DCCI, our website generated over 14.7 billion total page views in 2009;

- *Market share:* According to CR-Nielsen, our website obtained a 46.3% market share of the online real estate advertising market in China in 2009 in terms of estimated real estate-related online advertising revenues; and
- *Members:* As of June 30, 2010, we had over 17.6 million registered members of our website and had 3.0 million registered members of our SouFun membership card.

As of June 30, 2010, our website contained links to our local websites covering 106 cities across China, as well as Hong Kong, Taiwan, Singapore and Vancouver, Canada. Our website also contains links to other specialized real estate and home furnishing and improvement websites, including *www.jiatx.com*.

Our primary interface with users is our website. We believe user satisfaction ultimately rests on the appeal, attraction and functionality of our website. Our Internet technology and sales and marketing teams spend considerable time and resources upgrading and enhancing our website based on market trends and feedback from users and our marketing and listing customers. We distinguish ourselves from other real estate- and home furnishing and improvement-focused websites through the quality and breadth of our real estate and home furnishing and improvement content. We also maintain a centralized customer service hotline and e-mail report forms through which users can obtain assistance or otherwise contact us.

Our website covers a wide spectrum of PRC real estate and home furnishing and improvement information and constitutes the foundation and gateway for our primary business activities. Our content, which is generally free to our website visitors, is designed to assist visitors with each step of the real estate and home furnishing and improvement transaction process. We believe providing a central forum of reliable information regarding China's real estate and home furnishing and improvement market is helpful to participants in the real estate and home furnishing and improvement transaction process. Our extensive home-related content and information is organized into the following sections and categories on our website, which are intended to address the individual needs of our users.

Online Property Listings and Search Engines for New Home and Secondary and Rental Properties

Our website contains databases for new home, secondary and rental properties, and provides search engines on such properties in our databases.

As of June 30, 2010, our website and database contained over 139,000 listings for new residential property complexes (each of which typically contains dozens or hundreds of individual units), approximately eight million listings of secondary and rental properties as well as over 140,000 listings of commercial properties for sale and lease, including leases for office and retail space as well as properties for warehouse and storage. With our on-the-ground capabilities in 63 offices in China, we devote significant resources to collect first-hand real estate market intelligence and listing information in such markets and to update such information on a regular basis. Our user-friendly search engines and website interfaces allow users to tailor their searches to specific types of properties by using search criteria. Users seeking information on properties in specific geographic locations can narrow their searches to a specific city and often to specific districts or areas in the vicinity of a particular subway line within that city by using pull-down menus. Users can further refine their searches using selection criteria, including price range, type of property, number of rooms and size. After selecting search parameters, visitors are directed to a page listing available properties as well as basic information about each individual property, including location, price, number of rooms and the source of the listing.

Information on Home Furnishing and Improvement Products and Services

Our website contains information regarding design firms, contractors, do-it-yourself projects, building materials and a wide range of products and services relevant to home decoration and re-modeling, furniture and other home furnishing and services. We provide an efficient platform for companies in the home furnishing and improvement sector, which are usually small in size, to promote their brands and establish their presence on the Internet. We also provide search tools enabling visitors to search for specific businesses by area of expertise, product or service category. For example, a visitor interested in searching for suppliers and installers of window products in Beijing can use our pull-down search tools to focus their search for businesses providing such products and services.

Other pull-down menus allow visitors to view numerous design concepts, model interior decoration plans or other home improvement ideas. After selecting search parameters, visitors are directed to a page listing applicable home furnishing and improvement products and services as well as basic information about each home furnishing and improvement product or service, including price, product and service information and the source of the information. Much of the content, pictures and graphics are provided by other users of the website, which allows people interested in home decoration and furnishing to share ideas and information online. For example, by clicking on the “children’s room” menu, visitors are able to view a wide variety of relevant pictures and plans for design and furnishing. Visitors can also use this section to find and compare the work and experience of architects and interior designers.

To serve the increasing demand for home furnishing and improvement information, we have established *www.jiatx.com*, a website which specializes in home furnishing and improvement services. As of June 30, 2010, it covered eight cities including Beijing, Shanghai, Guangzhou and Dalian. This website offers users listings of home products, furnishings, home appliances and other home building materials, and also provides a platform for our users to rate and share opinions relating to the products or services in the listing.

Real Estate Database and Information

Supported by our research group, China Index Academy, our website provides an extensive database for visitors to search real estate information, as well as general research reports regarding the PRC real estate industry at both the national and regional levels.

The research section of our website provides relevant real estate research coverage of different topics within the PRC real estate industry. For example, our research database contains 10 specific databases with information on topics such as real estate projects, land information, real estate financing information, real estate-related laws and regulations and real estate public company information. Our databases are also organized into categories, such as commercial properties, residential properties, villa-style homes, apartments, new homes, secondary properties, rental properties or home furnishing and improvement information.

We believe our research section serves to raise our profile as experts on the PRC real estate industry. The combination of university professors specializing in research on the PRC real estate industry, leading developers with their practical market experience and relevant PRC government researchers that serve on the advisory panel to the research section of our website, together with the support of our research group, results in a collective body of knowledge that we believe is well-known in the PRC real estate industry.

Online Residential Communities

We offer online residential community services through our website, *www.soufun.com*. Such online residential community services provide a forum for visitors to share personal views, anecdotes and other information regarding different aspects of the PRC real estate

market, specific property developments and residential communities and other subjects. They also provide a platform for conducting real estate and home furnishing and improvement transactions online. In addition, our SouFun microblog services provide a new online platform for real estate industry participants, experts, journalists and consumers interested in the PRC real estate industry to communicate and share ideas. We believe our electronic bulletin board fora, SouFun blogs and other online community-oriented services are valuable means for enhancing loyalty and brand awareness among visitors to our website by creating virtual communities of users sharing a common interest in PRC real estate and home furnishing and improvement topics. In addition to using such fora to increase website traffic, we are also exploring ways to generate new revenue streams from our online fora and community-oriented services.

OUR NATIONAL COVERAGE

As of June 30, 2010, we provide real estate-related content, search services, marketing and listing coverage of 106 cities across China and have on-the-ground personnel located in 63 offices across China. We believe this extensive nationwide coverage enhances our national brand image, and enables us to deliver consistent and quality marketing and listing services to customers. The real estate industry is inherently a local industry, and online marketing and online listing services targeted at the real estate industry are most effective when delivered by personnel familiar with and experienced in the relevant local markets. Our local personnel also provide our central office staff with valuable data regarding these local real estate markets, which contributes to our knowledge and expertise about real estate markets throughout China. In addition, our network of branch offices helps us to tailor our marketing and listing services to local conditions and the needs of local property developers and real estate professionals, and to provide close after-sale support and services.

We have established a strong presence in 11 major cities, including Beijing and Shanghai, which are our level 1 cities, and Shenzhen, Guangzhou, Chongqing, Tianjin, Hangzhou, Wuhan, Chengdu, Suzhou and Nanjing, which are our level 2 cities. We entered these cities in the early stages of our development, and these cities have contributed and are expected to continue to contribute a majority of our revenues in the near future. In most of these cities, we offer our full line of services and target a full range of customers, including new home developers, agents, brokers, property managers and suppliers of home furnishing and improvement products and services. We currently have on-the-ground personnel covering new home, secondary and rental properties and home furnishing and improvement in 39 cities across China, and plan to expand our full suite of services to our remaining 67 cities where we currently offer primarily real estate and home furnishing and improvement content coverage through our localized website portals.

As a result of our expansion in the past several years, we cover most provincial capitals and important cities in China and have further solidified our position as a leading real estate Internet portal and home furnishing and improvement website in China by providing nationwide coverage of real estate listings in China. We also offer limited listing and other information relating to the real estate markets in Hong Kong, Taiwan, Singapore and Vancouver, Canada, but these markets do not constitute a material part of our business. The following map sets forth the cities we covered in mainland China as of June 30, 2010:

As part of our growth strategy, we also intend to expand our coverage areas to include additional cities across China. The expansion will focus on cities with populations of over one million, strong potential for GDP growth and housing development, high attractiveness for real estate and home furnishing and improvement investment, as measured by the scale of property development, and stable Internet infrastructure. We believe this expansion could further solidify our reputation as one of China's leading real estate and home furnishing and improvement Internet companies, as well as provide us with new markets for our marketing, listing and other value-added services and products.

BRAND AWARENESS AND MARKETING

We believe our comprehensive listing database has made SouFun a leading destination website for real estate participants in China. In addition, we seek to promote the SouFun brand through our directed selling efforts and other means, including our support for research, academic organizations and the publication of various research reports, event sponsorships, portal collaboration arrangements and marketing alliances. As a result, we believe the SouFun brand has become commonly associated with China's growing real estate and home furnishing and improvement sectors.

Real Estate Research and Reports

We believe our knowledge of China's real estate and home furnishing and improvement sectors provides a valuable competitive advantage and helps promote our brand name in the PRC real estate and furnishing and improvement market. The attractiveness of our marketing and listing services is rooted in our ability to commercialize various aspects of our databases and industry knowledge to create new and innovative services for our marketing and listing customers. To maintain and extend our leading position in this area, we attempt to recruit and retain people knowledgeable about China's real estate and home furnishing and improvement sectors through a variety of incentive measures, including share-based compensation plans. As of June 30, 2010, we had approximately 180 professionals in our real estate research department, many of whom hold masters or doctoral degrees, with some directly related to the academic study of the PRC real estate industry. Members of our research department produce research reports and provide other information services that help promote our reputation as an informed participant in China's real estate and home furnishing and improvement sectors.

Event Sponsorships

Maintaining and improving our industry reputation is important to our continued success. We regularly sponsor real estate and home furnishing and improvement events attended by industry participants. For example, in March 2010, we hosted our seventh annual conference in Beijing to announce the "Top 100 Property Developers in China" together with the Enterprise Economic Research Institute of the Development Research Center of the PRC State Council and the Institute of Real Estate Studies of Tsinghua University, two of China's leading research institutions. Many PRC real estate developers and government agencies involved in the PRC real estate sector attended this conference. The event also attracted broad media attention and interest from the public in each of the past six years that we held the event. In addition, we co-sponsored the sixth Hong Kong China Real Property Week in November 2009, which provided a platform for the PRC real estate industry to communicate with the investors and participants in the international markets.

Portal Collaboration Arrangements

In our early years, we relied heavily on portal collaboration arrangements with Chinese-language Internet portals to drive visitors to our website. Although our brand recognition and reputation among PRC real estate consumers have now achieved such a level that most visitors reach our website directly, we continue to work with well-known Internet portals to drive additional users to our website. Our portal collaboration arrangements typically have terms ranging from one to three years, with fees paid to our portal collaboration partners in installments every three months.

We currently have portal collaboration arrangements with some of China's larger Chinese-language portals to generate user traffic to our website.

Advertising and Marketing

We also conduct general marketing and advertising activities to promote awareness of the SouFun brand. For example, we participated in the 2009 China Real Estate Fair in November 2009. This real estate fair was approved by MOFCOM and supported by the Ministry of State Land and Resources, and over 400 real estate developers participated in the event. We have also used outdoor advertisements in the Beijing Capital International Airport, bus bulletin boards and subway stations. In addition, in July 2008, we launched our SouFun membership card program in over 30 major cities in China. The holders of our SouFun membership card are entitled to discounts from selected property developers and home furnishing and improvement brands and can earn bonus points when buying real estate and home furnishing and improvement products with the card. As of June 30, 2010, we had approximately 3.0 million registered SouFun membership card holders.

ARRANGEMENTS TO PROMOTE FUTURE EXCLUSIVE MARKETING AND LISTING BUSINESS

Occasionally, our marketing or listing customers may request that we provide commitment deposits or earnest money to them in exchange for being appointed as their exclusive online marketing or listing service provider. Recently, we have observed instances in China where real estate sales agents provided commitment deposits to property developers in order to secure a role as the exclusive sales agent for specific projects of the property developers. We have occasionally provided commitment deposits to selected customers after careful evaluation. We typically consider only direct requests from customers for such commitment deposits based on an evaluation of the following criteria: (i) the potential scope and amount of the marketing or listing contract; (ii) whether exclusive rights will be granted and the duration of such exclusive rights; (iii) the financial strength of the customer and viability of the target property projects at the time of our entry into the commitment deposit arrangement in order to assess the customer's ability to pay for our marketing or listing service contracts and the risk of non-repayment of our commitment deposit amount at maturity; and (iv) our historical relationship with the customer. We may enter into commitment deposit arrangements directly with property developers, or with their third-party sales agents to the extent such third party sales agents have the authority to grant us exclusive rights for the provision of online marketing or listing services on behalf of the property developers, on the condition that they actually retain us as such exclusive online marketing or listing service provider and agree to pay us fees in accordance with their respective marketing or listing contracts with us. These third-party sales agents are typically employed by property developers to provide services such as data analysis, advertising and marketing, sales and consulting services, and they charge fees to the developers based on services they provide. Commitment deposit arrangements are typically entered into with respect to individual property projects, and the deposits are paid to the developers either directly or through their sales agents. Although we have not historically specified the permissible scope of use of commitment deposits provided to our customers within the contracts granting these commitment deposits, we have not provided any commitment deposits to the developers specifically for the purpose of paying amounts owed under our marketing or listing contracts. The amounts owed under such marketing or listing contracts are typically paid out of the proceeds of property sales of target real estate projects or from the working capital of the developers that is separate from the commitment deposits. We generally require repayment of the commitment deposit amount within six months and generally do not require interest or security for the commitment deposit amount.

We have, to date, entered into commitment deposit arrangements with two of our related parties, Hengshui and Dong Fang Xi Mei, in exchange for being appointed to the exclusive marketing service provider role. These commitment deposits are set forth in a service contract for exclusive online marketing or listing services at our standard market prices with our

customary contract terms. We do not believe that any of our commitment deposits has been used to pay any amount incurred under any marketing or listing contracts with us or other online advertisers. In anticipation of this offering and in the interest of good corporate governance, going forward, we will not enter into any new commitment deposit or loan arrangements with related parties. See “Certain Relationships and Related Party Transactions—Related Party Loans and Other Arrangements.”

Due to increasing competition in the online marketing and listing services industry in China in recent years, we believe securing the exclusive provision of online marketing or listing services is helpful for us to maintain or increase our market share. We also endeavour to enter into arrangements that allow us to generate revenues of at least 10.0% of the commitment deposits provided to such customers. Although we plan to continue to selectively enter into such arrangements only with unrelated third parties when our management believes that it is commercially advisable and beneficial to do so, we do not expect to rely on such arrangements to compete for our business opportunities in any extensive manner and do not expect the commitment deposit arrangements to have a substantial impact on our business or prospects.

OUR SALES FORCE

We have built a sales and marketing team that is experienced in the online advertising, Internet and real estate industries. As of June 30, 2010, our sales and marketing team consist of 1,649 persons located in 63 offices across China. We also occasionally engage sales agents for collecting information on local markets or for specific business lines within local markets. Our sales and marketing team, together with these sales agents, 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 helps us to set our prices and strategies for each locality.

Our sales and marketing personnel are divided into the new home group, secondary and rental properties group, home furnishing and improvement group and research group. This structure allows our sales and marketing personnel to gain expertise with a specific subset of customers within the market sectors that we target, and to effectively design and market tailored services to customers within each subset.

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 system of promotions and demotions as a further motivational tool for our sales personnel. We categorize all members of our sales and marketing team by rank, including sales director, vice sales director, senior sales manager, sales manager and deputy sales manager. Our sales directors also lead teams of sales and marketing personnel within each sales and marketing group.

Promotion and demotion among the above levels occurs on a regular basis, with sales and marketing personnel at the sales manager and senior sales manager levels being evaluated on a quarterly basis and those at the sales director level being evaluated on an annual basis.

Because sales of online marketing services are highly competitive, we strongly emphasize training programs designed to improve the sales and marketing skills of our staff. We provide three types of training to our sales and marketing personnel: (i) required entrance training for each new sales and marketing employee during a three-month probationary period; (ii) rotation training that aims to place every sales and marketing employee in different posts for a certain period of time; and (iii) regular training in which weekly seminars and case studies are conducted for sales and marketing personnel. Our combination of training, performance-based

compensation and a system of promotion and demotion has been effective in identifying, motivating and retaining strong performers.

We also have key account sales representatives in Beijing that serve our approximately 50 key account customers, which are identified based on their reputation and the scope of their operations as well as the amount of their contracts with us. Key account customers in our new home business are generally entitled to more benefits than our other customers, such as preferential service fee discounts and preferential positioning within our nationwide real estate listings. We also prepare press articles and reports for our key account customers and appoint one specific contact person to serve each key account customer.

INFORMATION TECHNOLOGY SYSTEMS AND INFRASTRUCTURE

We maintain most of our servers and backup servers in Beijing and Shanghai. 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 over the past 10 years.

To better serve our website visitors, we have utilized our key proprietary technologies and developed a technology platform that is specifically used for our real estate and home furnishing and improvement Internet portal 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. Our distributed architecture uses 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 also developed a proprietary anti-fraud and anti-spam system through which we detect and monitor fraudulent activities and identify and filter spam messages. We attempt to continuously improve the accuracy and effectiveness of this technology through machine-learning capability and customizable rules.

As of June 30, 2010, we had about 185 engineers in our engineering and product development team. Most of our engineers have graduated from leading PRC universities and colleges. In addition, we selectively recruit experienced engineers from the United States and elsewhere.

COMPETITION

We face competition from other companies in each of our primary business activities. We compete with these companies principally on the basis of website traffic volume, the quality and quantity of real estate and home furnishing and improvement listings and other information content, geographic coverage, service offerings and marketing and listing customers. We also compete for qualified employees with sales, real estate, home furnishing and improvement products and services and Internet industry experience. We monitor our market share in the online advertising industry in China through market information gathered internally as well

as from independent market research institutions such as CR-Nielsen and DCCI. Due to the nature of online residential real estate listings and the fact that the PRC market for residential real estate is a developing industry, there is limited independent third-party information on the market share of websites that provide residential real estate listings. To help assess our competitiveness and market position, our listing services division gathers information on the number and prices of paid online listing subscription accounts and similar information on our competitors from public sources for our internal records. Based on these internal records, we believe we are currently one of the leading Internet portals for residential real estate listings in China and have gained significant market share in most of the important cities, including Beijing, Shanghai, Tianjin, Chongqing, Shenzhen, Wuhan, Chengdu and Nanjing, as measured by the total number of online listing subscription accounts and total listing revenues.

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 Internet portals, such as *Sina.com* and *Sohu.com*, which provide real estate and home furnishing and improvement information services, may have an advantage over us due to their more established brand name, larger user base and extensive Internet distribution channels.

Other existing and potential competitors include:

- Real estate and home furnishing and improvement websites offering listing and marketing services in China including real estate websites sponsored or supported by local governments in China, which may be able to use such government connections to develop relationships with locally-active real estate developers;
- traditional advertising media such as general-purpose and real estate-focused newspapers, magazines, television and outdoor advertising that compete for overall advertising spending;
- websites focused on real estate research services in China; and
- online listing service providers, whether general-purpose Internet portals or regional websites dedicated to online listing.

We believe some of the key players in the markets for online real estate marketing and listing services in China include Sina Corporation's China Real Estate Information Corporation, Sohu.com Inc.'s focus.cn, Anjuke.com, Tencent's fangqq.com and Szhome.com.

Although the barriers to entry for establishing many types of Internet-based businesses are low, we believe that certain key features of our marketing and listing businesses, together with the complexity of China's real estate and home furnishing and improvement market, make it difficult for competitors to grow quickly and compete successfully against us. Specifically, we believe our brand name in China's real estate and home furnishing and improvement Internet industry, the size and growth of our average daily user traffic, our customized marketing, listing and other value-added service offerings, our ownership of what we believe is one of the largest online real estate listing databases in China in terms of geographical coverage, including content coverage of 106 urban real estate markets in China as of June 30, 2010, and our relationships and in-depth knowledge of the real estate and home furnishing and improvement sectors provide us with an advantage over our competitors.

We believe that we and other domestic operators are likely to have a competitive advantage over international service providers who lack operational infrastructure and experience in China. We cannot assure you, however, that this competitive advantage will continue to exist, particularly if international operators establish joint ventures with, form alliances with or acquire domestic operators.

INTELLECTUAL PROPERTY

We regard our copyrights, trademarks, trade secrets, domain names and other intellectual property as 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.

We own 51 copyrights, each of which we have registered with the PRC State Copyright Bureau. We own or have licensed 39 trademarks, each in various categories, each of which we have registered with the PRC Trademark Office, and have 75 trademark applications, each in various categories, pending with the PRC Trademark Office. We have applied to register in China the Chinese and English dual-language "SouFun" trademark as well as "SouFun" in English and in Chinese individually for use in certain relevant industry categories. We have successfully registered the dual-language trademark in certain industry categories, but our applications for certain other industry categories have encountered conflicts with existing registrations of or applications for similar trademarks. We are in the process of resolving these conflicting trademark applications, but we estimate that this process may take several years or longer. Unless and until we secure the trademark registrations for which we have applied, we may not be able to effectively enforce our proprietary rights in connection with such trademarks or prevent the use by others of trademarks identical or similar to ours. Moreover, if our current applications for registering our trademarks in certain relevant industry categories are unsuccessful and we continue to use such trademarks after these or similar trademarks have been registered by another entity, or if a holder of any registered trademark similar to ours claims that we are infringing its trademark rights, we could potentially be prevented from using part or all of our current names or trademarks for part or all of our business operations and face civil liability for damages, including forfeiture of profits earned from illegal use of the trademark. See "Risk Factors—Risks Relating to Our Business—Loss of our right to use the 'SouFun' brand name, or unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may materially and adversely affect our business, financial condition, results of operations and reputation" and "—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."

We have also filed applications to register certain trademarks in a number of other jurisdictions, including Hong Kong.

We currently own or have licensed 195 registered domain names, including our official website, *www.soufun.com*, and domain names registered in connection with *www.jiatx.com* and *www.landlist.cn.*

EMPLOYEES

We had 2,195, 2,160, 3,611 and 4,810 employees as of December 31, 2007, 2008, 2009 and June 30, 2010, respectively. The following table sets forth the number of our employees categorized by function as of June 30, 2010:

Editorial and production	2,407
Sales and marketing	1,649
Technical and research	303
Management and general administrative	451
Total	4,810

As a result of the growth and expansion of our business operations in China over the last two years, we have increased the number of our employees across all departments.

Our employees receive a base salary and are eligible for performance-based bonuses. We have granted share options to certain of our employees from 1999 to 2009. For more information, see “Management—Share Options.”

As required by PRC regulations, we participate in various employee benefit plans that are organized by municipal and provincial governments, including housing, pension, medical and unemployment benefit plans. We make monthly payments to these plans for each of our employees based on the employee’s compensation.

We believe we maintain a good working relationship with our employees and we have not experienced any significant labor disputes. We believe this is primarily attributable to our well-established reputation and brand name within the PRC real estate industry, our strong corporate culture, as well as the positive career development opportunities we provide to our employees. Our employees have not entered into any collective bargaining agreements, and no labor union has been established by our employees.

FACILITIES

Our principal executive offices are located in approximately 6,680 square meters of office space on 8th to 11th floors and part of the 19th floor, Tower 3, Xihuan Plaza, No. 1 Xizhimenwai Avenue, Xicheng District, Beijing 100044, China under a lease that expires on December 31, 2012. As of June 30, 2010, we leased 115 properties with an aggregate GFA of approximately 36,716 sq.m. in 63 offices across China. Our leased properties mainly consist of office premises, all of which are leased from independent third 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.

With respect to 78 of our leased properties in China with an aggregate GFA of approximately 21,249 sq.m., the relevant lessors either have not provided us with the valid title certificates or documents evidencing their requisite rights to lease such properties or have not completed the lease registration as required under the PRC laws. These properties comprise approximately 58.0% of our total leased properties in terms of GFA and principally consist of office premises. We are not aware of any challenges being made by any third party on our leasehold interests to any of our leased properties. In the event a dispute arises, we may not be able to continue to use the leased properties and may be required to relocate. See “Risk Factors—Risks Relating to Our Business—Certain of our leased property interests may be defective and we may be forced to relocate operations affected by such defects, which could cause significant disruption to our business.”

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 PRC laws, rules and regulations. We do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance.

LEGAL PROCEEDINGS

We are currently not involved in any material legal or arbitration proceeding. From time to time, we may be subject to claims and legal actions arising in the ordinary course of business, most of which are alleged intellectual property infringement claims against us for use of others' articles or photographs. 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 Relating 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 certain significant PRC regulations that affect our business and the industries within which we operate.

GENERAL

The telecommunications industry, including Internet information services and Internet access 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, interconnection and transmission line arrangements, 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 OWNERSHIP IN THE ONLINE ADVERTISING INDUSTRY

Internet Content Provision and Wireless Value-Added Services

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 content provision services and wireless value-added services being classified as value-added telecommunications businesses. The Telecommunications Regulations also set forth extensive guidelines with respect to different aspects of telecommunications operations in China.

In order to comply with China's commitments with respect to its entry into the World Trade Organization, the State Council promulgated the Administrative Rules on Foreign-invested Telecommunications Enterprises in December 2001, as amended in September 2008. The Administrative Rules on Foreign-invested Telecommunications Enterprises 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 Catalog 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 MOFCOM 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 2002 Administrative Rules on Foreign-invested Telecommunications Enterprises. 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 may not rent, transfer or sell a telecommunications license to foreign investors in any form, nor may they provide any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China.

Advertising Services

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

- The Foreign Investment Industrial Guidance Catalog;
- The Administrative Regulations on Foreign-invested Advertising Enterprises; and
- The Circular Regarding Investment in the Advertising Industry by Foreign Investors through Equity Acquisition.

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 any approvals or licenses, including business licenses containing a scope of business that permits engagement in the advertising business. In the event we are able to qualify to acquire the equity interest in Beijing Advertising, Beijing Internet, Beijing Technology, Beijing JTX Technology, Shanghai Advertising, Shanghai JBT Advertising, Beijing China Index, Shanghai China Index, Tianjin JTX Advertising, Beijing Li Tian Rong Ze and Tianjin Xin Rui under the rules allowing complete foreign ownership, these PRC operating companies 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 and our consolidated controlled entities. See “Our History and Corporate Structure—Structure Contracts.”

In the opinion of King & Wood, our PRC legal counsel:

- each of the Structure Contracts is legal, valid and binding on the contracting parties under applicable PRC laws, rules and regulations;
- the execution, delivery, effectiveness, enforceability and performance of each of the Structure Contracts do not violate any published PRC laws, rules and regulations currently in force and effect;
- none of our Structure Contracts contravenes any published PRC laws, rules and regulations currently in force and effect; and
- no filings, registrations, consents, approvals, permits, authorizations, certificates and licenses of any PRC government authorities are currently required in connection with the execution, delivery, effectiveness, performance and enforceability of each Structure Contract, provided that the pledges of equity interests under the Structure Contracts should be registered with competent PRC government authorities, and provided further that the exercise of the call option in the future must be approved and registered by competent PRC government authorities.

However, 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. Accordingly, we cannot assure you that the PRC regulatory authorities will not ultimately take a contrary view from that of our PRC legal counsel, King & Wood.

REGULATION OF BUSINESS

Internet Content Provision Services

The provision of real estate and home furnishing and improvement 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;
- The Administrative Measures for Telecommunications Business Operating Licenses; and
- The Internet Information Services Administrative Measures.

Under these regulations, Internet content provision services are classified as value-added telecommunications businesses, and a commercial operator must obtain a telecommunications and information services operating license, or ICP license, from the appropriate telecommunications authority in order to carry out commercial Internet content provision operations in China. If an Internet content provider is not engaged in commercial Internet content operations, it is only required to file a record with the appropriate telecommunications authority. 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.

One of our consolidated controlled entities, Beijing Internet, currently holds an ICP license issued by the Beijing Telecommunications Administration Bureau (the municipal branch of MIIT) on December 5, 2008, which is valid until December 4, 2013, subject to annual reviews.

Beijing China Index also holds an ICP license issued by the Beijing Telecommunications Administration Bureau on November 4, 2005, which is valid for five years, subject to annual reviews. Each of Beijing Technology and Beijing JTX Technology has also obtained an ICP license from the Beijing Telecommunications Administration Bureau on September 8, 2006 and June 12, 2007, respectively, which are valid until September 7, 2011 and June 11, 2012, respectively, subject to annual reviews.

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 Technology, a consolidated controlled entity, has been registered as the owner or is applying to be the owner of the Chinese and English dual-language "SouFun" trademark in several categories and obtained the *www.soufun.com* domain name. Beijing China Index, another consolidated controlled entity, has also been registered as the owner or is applying to be the owner of the trademark for the Chinese characters of "DiGua" in several categories and obtained the *www.landlist.cn* domain name. All of our trademarks and domain names will be owned directly by our consolidated controlled entities.

Furthermore, according to the Tentative Measures of Internet Publication Administration, jointly issued by the General Administration of Press and Publication and MIIT in June 2002, all entities that are engaged in Internet publication in China must obtain an approval from the General Administration of Press and Publication. Internet publication is broadly defined in the Tentative Measures for Internet Publication Administration to include any act of online dissemination whereby any Internet content provision 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.

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;
- The Administration of Advertising Regulations; and
- The Implementation Rules for the Administration of Advertising Regulations.

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 each of Beijing Advertising, Beijing Technology, Beijing JTX Technology, Shanghai Advertising, Beijing China Index, Beijing Internet, Tianjin JTX Advertising, Tianjin Xin Rui and Shanghai JBT Advertising includes operating an advertising business, which allows them to engage in the advertising business.

Electronic Bulletin Board Services

In October 2000, MIIT adopted the Administrative Regulations on Internet Electronic Bulletin Board Services, requiring an Internet content service provider that provides online bulletin board services to register with, and obtain approval from, local telecommunications authorities. Currently, Beijing China Index is operating electronic bulletin board services on *www.landlist.cn*. Beijing Technology is operating on *www.soufun.com*. On November 11, 2005 and November 6, 2006, respectively, the Beijing Telecommunications Administration Bureau issued to Beijing China Index and Beijing Technology, respectively, an approval for operating electronic bulletin board services on *www.landlist.cn* and *www.soufun.com,* respectively. Beijing JTX Technology and Beijing Advertising also obtained approval for operating electronic bulletin board services on *www.jiatx.com* on June 15, 2007. These approvals each has an original validity which is keyed to the corresponding ICP license and their continued validity is subject to the fulfillment of certain conditions and qualifications.

REGULATION OF INFORMATION SECURITY AND CONFIDENTIALITY OF USER IDENTITY INFORMATION

Internet content in China is also regulated and restricted from a state security standpoint. Based on a law 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 has supervision and inspection powers in this regard, and we may be subject to the jurisdiction of the local security bureaus. If an ICP license holder violates these measures, the PRC government may revoke its license and shut down its website.

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 in September 2000 require Internet content 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. We have been advised by King & Wood, our PRC legal counsel, that both requirements are for the protection of information on the identity of Internet users.

REGULATIONS ON 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 10 years to registered trademarks. In addition, trademark license agreements must be filed with the 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 10-year period, unless otherwise revoked.

REGULATION OF FOREIGN EXCHANGE, TAXATION AND DIVIDEND DISTRIBUTION

Foreign Exchange

The principal regulation governing foreign exchange in China is the Foreign Currency Administration Regulations and the Regulations of Settlement, Sale and Payment of Foreign Exchange. The Renminbi is freely convertible for current account transactions, such as trade and service-related foreign exchange transactions, but not for capital account transactions, such as direct investments, loans or investments in securities outside China, without the prior approval of SAFE. Pursuant to the Foreign Currency Administration Regulations, foreign-invested enterprises in China may purchase foreign exchange at authorized commercial banks without the approval of SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing these transactions. They may also retain foreign exchange, subject to a cap approved by SAFE, to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities may limit or eliminate the ability of foreign-invested enterprises to purchase and retain foreign currencies in the future. In addition, foreign exchange transactions for capital accounts are still subject to limitations and require approval from SAFE.

Taxation and Dividend Distribution

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

In March 2007, the National People's Congress of China enacted the New EIT Law, which took effect on January 1, 2008. Under the New EIT Law, since January 1, 2008, foreign-invested enterprises, such as our subsidiaries and consolidated controlled entities, are subject to enterprise income tax at a uniform rate of 25.0% if no tax preferential policy is applicable. In addition, under the New EIT Law, enterprises organized under the laws of jurisdictions outside China may be classified as either "non-resident enterprises" or "resident enterprises." Non-resident enterprises without an establishment or place of business in China are subject to withholding tax at the rate of 20.0% with respect to their PRC-sourced dividend income, which rate can be reduced by the State Council and is subject to applicable tax agreements or treaties between China and the respective foreign tax jurisdictions. The State Council has reduced the withholding tax to 10.0% in the newly promulgated implementing rules for the New EIT Law. As we are incorporated in the Caymans Islands, we may be regarded as a "non-resident enterprise." We hold our interests in SouFun Media and SouFun Network through Bravo Work, and Beijing Zhong Zhi Shi Zheng through Max Impact, and Bravo Work and Max Impact are companies incorporated in Hong Kong. According to the Double Tax Arrangement between Mainland China and Hong Kong, dividends paid by a foreign-invested enterprise in mainland China to a corporate shareholder in Hong Kong will be subject to withholding tax at a

maximum rate of 5.0%, provided, however, that such Hong Kong company directly owns at least 25.0% of the equity interest in the PRC company distributing the dividends.

In August 2009, SAT issued Circular 124. Pursuant to Circular 124, non-tax residents of China who wish to enjoy a treaty benefit on their China-sourced income under a Sino-foreign double tax agreement have to go through either an "approval application" procedure (for passive income—dividends, interest, royalties and capital gains) or "record filing" procedure (for active income—business profits of a permanent establishment, service fees and personal employment income) in which specific forms attached to Circular 124 have to be submitted to the relevant Chinese tax authorities together with the relevant supporting documentation. Circular 124 provides details of the procedures and documentation requirements. Pursuant to Circular 124, we must submit application to and obtain approval from authorized local tax bureaus to take advantage of the decreased withholding tax for our Hong Kong-incorporated holding companies under the Tax Agreement.

In addition, SAT released Circular 601 in October 2009. Circular 601 provides guidance for the determination of "beneficial ownership" for the purpose of claiming benefits under double taxation arrangements by treaty residents in respect of articles of dividends, royalties and interest under double taxation arrangements. Under Circular 601, a "beneficial owner" shall generally engage in "substantive business activities" which is further referred to as manufacturing, trading and management activities under Article 1 of Circular 601. Circular 601 also sets forth several factors, the existence of which generally does not provide support that the treaty resident is a "beneficial owner." The following are two of the unfavorable factors listed in Circular 601: the treaty resident does not have or almost does not have any other business activities besides ownership of the assets or rights that generate the income; where the treaty resident is a corporation, the amount of its assets, scale of operations and employees is relatively low and not commensurate with the amount of the income. According to Circular 601, non-resident enterprises which could not provide valid supporting documents as "beneficiary owners" could not be approved to enjoy treaty benefits. Therefore, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to a withholding tax rate of 10.0% if our Hong Kong subsidiaries can not be considered as a "beneficial owner" under Circular 601.

Despite the above, the New EIT Law also provides that an enterprise incorporated outside China with its "de facto management bodies" located within mainland China may be considered a PRC resident enterprise and therefore be subject to enterprise income tax on its worldwide income at the rate of 25.0%.

The implementing rules for the New EIT Law defines "de facto management organization" as the body that exercises substantial and comprehensive control over the production, operation, personnel, accounting, property and other factors of an enterprise. SAT issued Circular 82 in April 2009. Circular 82 provides certain specific criteria for determining whether the "de facto management bodies" of a Chinese-controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by PRC individuals or foreigners in China, like us, the determining criteria set forth in Circular 82 may reflect SAT's general position on how the "de facto management bodies" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners.

Substantially all members of our management are currently located in China and we expect them to continue to be located in China for the foreseeable future. Therefore, if we are deemed to be a PRC tax resident enterprise, we will be subject to an enterprise income tax rate of 25.0% on our worldwide income if no preferential tax treatment is applicable. According to the New EIT Law and its implementing rules, dividends are exempted from income tax if such

dividends are received by a resident enterprise on equity interest it directly owns in another resident enterprise. Therefore, it is possible that dividends we receive through Bravo Work from SouFun Media and SouFun Network and through Max Impact from Beijing Zhong Zhi Shi Zheng would be tax exempt income under the New EIT Law if each of Bravo Work and Max Impact is also deemed to be a "resident enterprise."

If we are deemed to be a PRC tax resident enterprise, we would then be obliged to withhold PRC withholding income tax on the gross amount of dividends paid to shareholders who are non-PRC tax residents. The withholding income tax rate is 10.0%, unless otherwise provided under the applicable double tax treaties between China and governments of other jurisdictions.

Although the New EIT Law has been effective for two years, significant uncertainties still exist with respect to the interpretation of the New EIT Law and its implementing rules. Any increase in the enterprise income tax rate applicable to us, the imposition of PRC income tax on our global income or the imposition of withholding tax on dividends distributed by our subsidiaries to us could have a material adverse effect on our business, financial condition and results of operations.

REGULATION OF FOREIGN EXCHANGE IN CERTAIN ONSHORE AND OFFSHORE TRANSACTIONS

In October 2005, SAFE issued Notice 75. Under Notice 75, PRC residents, whether natural or legal persons, must register with the relevant local SAFE branches prior to their establishment, or prior to their taking control of, an offshore entity established for the purpose of overseas equity financing involving onshore assets or equity interests held by them, and must also make filings with SAFE afterwards upon the occurrence of certain material capital changes. Moreover, Notice 75 applies retroactively. As a result, PRC residents who have established or acquired control of offshore entities that have made onshore investments in China in the past are required to complete the relevant registration procedures with local SAFE branches. The registration and filing procedures under Notice 75 are prerequisites for other approval and registration procedures necessary for capital inflow from offshore entities, such as inbound investments or shareholders loans, or capital outflow to offshore entities, such as the payment of profits or dividends, liquidating distributions, equity sale proceeds, or the return of funds upon a capital reduction. SAFE has further clarified that the term "PRC residents" as used under Notice 75 refers to those who (i) have permanent residence in mainland China or will return to mainland China for permanent residence after temporary leave due to traveling, education, medical treatment, working, request for residence, and other reasons; (ii) hold "domestic-funding interests" in domestic entities; or (iii) are the ultimate holders of "foreign-fund interests" that have been converted from "domestic-funding interests."

Because of uncertainty over how Notice 75 will be interpreted and implemented, we cannot predict how it will affect our business operations or future strategies. If SAFE determines that Notice 75 applies to us, our present and prospective PRC subsidiaries' ability to conduct foreign exchange activities, such as any remittance of dividends or foreign currency-denominated borrowings, may be subject to compliance with Notice 75 requirements by our PRC resident shareholders. We cannot assure you that our PRC resident shareholders will be able to complete the necessary registration and filing procedures required by Notice 75. If Notice 75 is determined to apply to us or any of our PRC resident shareholders, a failure by our PRC resident shareholders or beneficiary owners to comply with Notice 75 could subject the relevant PRC residents or beneficiaries to penalties under PRC foreign exchange regulations, and could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions or pay dividends or

affect our ownership structure, which could materially and adversely affect our business and prospects.

REGULATIONS RELATING TO EMPLOYEE SHARE OPTIONS

Pursuant to the Implementation Rules of the Administrative Measure for Individual Foreign Exchange, or the Individual Foreign Exchange Rule, issued by SAFE in January 2007, PRC citizens who are granted shares or share options by an overseas-listed company according to its employee share incentive plan or option plan must, through the PRC subsidiary of such overseas listed company or other qualified PRC agent, completed the required procedures with SAFE before they may exercise their rights on the shares or share options. Such individuals' foreign exchange income received from the sale of shares or dividends distributed by the overseas listed company must be remitted into a collective foreign currency account opened and managed by the PRC subsidiary of the overseas listed company or the PRC agent first before distributing them to such individuals in foreign exchange or in Renminbi. Our PRC citizen employees, who have been granted share options or incentive shares, or PRC Optionees, will be subject to the Individual Foreign Exchange Rule when we become an overseas listed company. If we or our PRC Optionees fail to comply with these regulations, we or our PRC Optionees may be subject to fines and legal sanctions.

NEW M&A REGULATIONS AND OVERSEAS LISTINGS

In August 2006, six PRC regulatory agencies, including MOFCOM, the State Assets Supervision and Administration Commission, SAT, SAIC, CSRC and SAFE, jointly issued the New M&A Rules. The New M&A Rules include provisions that purport to require that an offshore special purpose vehicle formed for purposes of an overseas listing of equity interests in PRC companies and controlled directly or indirectly by PRC companies or individuals obtain the approval of CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

In September 2006, CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. CSRC approval procedures require the filing of a number of documents with CSRC and it would take several months to complete the approval process. The application of this new PRC regulation remains unclear with no consensus currently existing among leading PRC law firms regarding the scope of the applicability of CSRC approval requirement.

Our PRC legal counsel, King & Wood, has advised us that, based on their understanding of the current PRC laws, rules and regulations as well as the procedures announced in September 2006, CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this new procedure.

In spite of the above, our PRC legal counsel, King & Wood, is of the opinion that prior CSRC approval is not required for this offering because (i) we substantially completed our restructuring before the effective date of the New M&A Rules; (ii) our PRC subsidiaries were incorporated by a foreign-owned enterprise, and there was no acquisition of the equity or assets of a "PRC domestic company" as such term is defined under the New M&A Rules; and (iii) there is no provision in the New M&A Rules that clearly classifies the contractual arrangements between our PRC subsidiaries, the consolidated controlled entities and the consolidated controlled entities' respective shareholders as a kind of transaction falling under the New M&A Rules. See "Risk Factors—Risks Relating to China—We may be required to obtain prior approval from the China Securities Regulatory Commission for the listing and trading of our ADSs on the New York Stock Exchange."

MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information relating to our directors and executive officers. The business address of each of our directors and executive officers is 8th Floor, Tower 3, Xihuan Plaza, No. 1 Xizhimenwai Avenue, Xicheng District, Beijing 100044 China.

Name	Age	Position
Tianquan Vincent MO	46	Executive chairman of the board of directors
Bruce J. AKHURST(1)	50	Director
John STANHOPE(1)	59	Director
Quan ZHOU	52	Director
Shan LI(2)	47	Independent director
Qian ZHAO(3)	41	Independent director
Sam Hanhui Sun(3)	38	Independent director
Jeff Xuesong LENG(4)	40	Director
Thomas Nicholas HALL(4)	42	Director
Richard Jiangong DAI(4)	36	President, chief executive officer and director
Lanying GUAN	42	Chief financial officer
Jian LIU	34	Chief operations officer

(1) Bruce J. Akhurst and John Stanhope will resign from our board of directors and cease to be our directors immediately prior to the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part.

(2) Shan Li will become an independent director immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part.

(3) Qian Zhao and Sam Hanhui Sun will become independent directors immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part.

(4) Jeff Xuesong Leng, Thomas Nicholas Hall and Jiangong Richard Dai will become directors immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part.

Tianquan Vincent Mo is our founder and has served as our executive chairman of our board of directors since 1999. Prior to founding our Company, Mr. Mo served as an executive vice president at Asia Development and Finance Corporation from 1996 to 1998 and a general manager for Asia at Teleres, a venture of Dow Jones & Co. and AEGON USA to provide online commercial real estate information services, from 1994 to 1996. He currently serves as a director on the board of directors of Shun Cheong Holdings Limited, a Hong Kong-listed company, and is the secretary general of the China Real Estate Index System, a real estate research publication operated by us. Mr. Mo is also a director of Taoshi PE Fund Management Co.. Mr. Mo holds a bachelor's degree in engineering from South China University of Technology, a master of science degree in business administration from Tsinghua University and a master of arts degree in economics from Indiana University. Mr. Mo is the uncle of Mr. Dai, our president and chief executive officer who will also become a director of our company on the date of this prospectus.

Bruce Akhurst has served as a director of our company since August 2006 and was selected to our board of directors pursuant to the shareholders' agreement dated August 31, 2006. Mr. Akhurst will resign from our board of directors and cease to be our director immediately prior to the effectiveness of the registration statement on Form F-1, of which the prospectus forms a part. Mr. Akhurst has been the chief executive officer of Telstra's advertising and media business, Sensis Pty Ltd, since 2005. Prior to his appointment as chief executive officer, Mr. Akhurst also served as the group managing director of Telstra Wholesale, Broadband and Media Services from 2003 to 2005. From 1996 to 2003, Mr. Akhurst held several positions within the Telstra group, including group managing director of Legal and Regulatory, group general counsel and group managing director of Telstra Wholesale, Foxtel, Regulatory and Legal. He has been a director of Foxtel since March 2000 and chairman of its board of

directors since May 2005. Mr. Akhurst was also chairman of Sensis Pty Ltd from April 2003 to August 2009, and has been a director of Sensis Pty Ltd. since April 2003. Mr. Akhurst also currently serves on the board of directors of Customer Services Pty Ltd, Foxtel Cable Television Pty Ltd, Location Navigation Pty Ltd, Sequel Limited and Dotad Media Holdings Limited. Prior to joining Telstra, Mr. Akhurst was a partner in a major Australian law firm. Mr. Akhurst holds a bachelor's degree in economics from Monash University and a bachelor's degree in law from Monash University.

John Stanhope has served as a director of our company since August 2007 and was selected to our board of directors pursuant to the shareholders' agreement dated August 31, 2006. Mr. Stanhope will resign from our board of directors and cease to be our director immediately prior to the effectiveness of the registration statement on Form F-1, of which the prospectus forms a part. Mr. Stanhope has been chief financial officer and group managing director of finance and administration of Telstra Group since 2003. Mr. Stanhope has also been serving as an executive director of the board of directors of Telstra Corporation Limited since 2009. He is chairman of the Business Coalition for Tax Reform, and was appointed to the Financial Reporting Council in 2006. Mr. Stanhope also serves as director of Telstra Super, Sensis, Octave Investments Holdings, AGL Energy, Foxtel, L Mobile and Melbourne International Jazz Festival. He is chairman of TelstraClear and CSL New World. Mr. Stanhope joined Telstra in 1967 and held a number of operational roles and a range of senior financial management positions including Director of Finance before his appointment as group managing director of finance and administration in 2003. Mr. Stanhope holds a bachelor's degree in commerce (accounting and economics) from Deakin University in Melbourne, Australia.

Quan Zhou has served as a director of our company since 2000. Mr. Zhou has been the president of IDG Technology Venture Investment, Inc., or IDG Technology, since 1995. He is currently a managing member of the general partner of IDG Technology Venture Investments, L.P. and its successor funds. Mr. Zhou is also serving as a director of the general partner of each of IDG-Accel China Growth Fund I, IDG-Accel China Growth Fund II and IDG-Accel China Capital Fund. He currently serves on the boards of a number of private companies, including Superdata Technology (Asia) Limited, OriGene Technologies Inc., CosmoChina International Inc., Giganology Limited, *Yesky.com* Inc. and Wupima Inc. Mr. Zhou holds a bachelor's degree in chemistry from the China Science and Technology University, a master's degree in chemical physics from the Chinese Academy of Sciences, and a Ph.D degree in fiber optics from Rutgers University.

Qian Zhao will become an independent director of our company and chair of our nominating and corporate governance committee immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part. Mr. Zhao is a founding partner of CXC China Sustainable Growth Fund, a private equity fund that makes investments in China-based companies. Mr. Zhao was a lawyer by training and is admitted to practice law in both China and New York. Mr. Zhao co-founded Haiwen & Partners in 1992, a preeminent China corporate finance law firm in Beijing. He worked in Sullivan & Cromwell 's New York office from 1998 to 2000 and Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates' Beijing office from 2000 to 2003. Mr. Zhao is currently a director and member of the audit committee of Trina Solar Limited, a NYSE-listed company, and CXC Capital, Inc., which is the management company of CXC China Sustainable Growth Fund. Mr. Zhao received a J.D. degree from the New York University School of Law in 1998 and an LL.B degree from University of International Business & Economics, Beijing, in 1990.

Shan Li has served as a director of our company since 1999 and will become an independent director of our company and chair of our compensation committee immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part. Mr. Li is a founding partner of San Shan (HK) Ltd., a private equity firm focused on the China market. Previously, Mr. Li was the chief executive officer of BOC International

Holdings Limited, a position he held from 2001 to 2005. Mr. Li is currently a director of China Cablecom, a NASDAQ-listed company, CMMB Vision Holdings Limited, a Hong Kong Stock Exchange-listed company, and San Shan (HK) Limited. Mr. Li served as a managing director at Lehman Brothers Asia (Hong Kong) from 1999 to 2001 and served as the deputy head of the Investment Banking Preparation Committee at China Development Bank from 1998 to 1999. Mr. Li is currently a senior advisor and vice chairman of UBS Investment Bank in Asia. Mr. Li received a bachelor's degree in management information systems from Tsinghua University, a master's degree in economics from the University of California at Davis and a Ph.D degree in economics from the Massachusetts Institute of Technology.

Sam Hanhui Sun will become an independent director of our company and chairman of our audit committee immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part. Mr. Sun has been chief financial officer of Qunar.com, a leading travel search engine in China since January 2010. He was chief financial officer of Beijing Ruifeng Co. Ltd. from May 2009 to September 2009 and KongZhong Corporation, a Nasdaq-listed company, from February 2007 to April 2009. Mr. Sun was also an independent director and audit committee member of KongZhong Corporation from July 2005 through January 2007. From 2004 to 2007, Mr. Sun took various financial controller roles at Microsoft China R&D Group, Maersk China Co. Ltd. and our Company. From 1995 to 2004, Mr. Sun worked in KPMG's auditing practice, including eight years at KPMG in Beijing where he was an audit senior manager, and two years at KPMG in Los Angeles, California. Mr. Sun earned a bachelor's degree in business administration from the Beijing Institute of Technology in 1993. He is a Certified Public Accountant in China.

Jeff Xuesong Leng will become a director of our company immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part, pursuant to the investor's rights agreement dated August 13, 2010. Mr. Leng is a managing director at General Atlantic LLC, a private equity investment firm. Mr. Leng served as a managing director at Warburg Pincus, an international private equity firm, from 1999 to 2007. Mr. Leng is currently a non-executive director of Wuxi PharmaTech, a company listed on the New York Stock Exchange, and Zhongsheng Group Holdings Limited, a company listed on the Hong Kong Stock Exchange. From July 2006 to August 2007, Mr. Leng served as a non-executive director of China Huiyuan Juice Group Limited, a company listed on the Hong Kong Stock Exchange. Mr. Leng earned a master of business administration degree from the Wharton School of Business, University of Pennsylvania in 1999 and a bachelor of international industrial trade degree from Shanghai Jiao Tong University in 1992.

Thomas Nicholas Hall will become a director of our company immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part, pursuant to the investor's rights agreement dated August 13, 2010. Mr. Hall is an equity partner and co-Head of the Global Media Team at Apax Partners LLP, one of the world's largest private equity firms with funds advised and managed in excess of US$35 billion. Mr. Hall worked at Deutsche Bank from 1995 to 1998 and S.G. Warburg from 1992 to 1995. While at Apax, Mr. Hall has been responsible for, and has served on the board of directors of, a number of private companies including Thomson Directories, The Stationery Office, Zeneus Pharma and 20 Minuten. Mr. Hall is currently chairman of the board of directors and a member of the audit committee of Trader Media Group in the United Kingdom. Mr. Hall holds a master of arts degree from Cambridge University.

Richard Jiangong Dai joined us in 1999 and is our president and chief executive officer. Mr. Dai will become a director of our Company immediately after the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part. Mr. Dai is a nephew of Mr. Mo, our founder and executive chairman. Mr. Dai has over ten years of experience in the real estate media sector and is in charge of overseeing the operations of our website, *www.soufun.com*. Prior to joining us, Mr. Dai was a research analyst and assistant general

manager at Beijing Yiding Information Technology Co., Ltd. and the China Real Estate Index System, a real estate research publication operated by us. Mr. Dai received a bachelor's degree in international trade from the College of Economics at Guangxi University.

Lanying Guan joined us in June 2004 as chief finance controller and has been our chief financial officer since March 2010. Ms. Guan has over 15 years of experience in financial management and accounting with multinational corporations. Prior to joining us, Ms. Guan served as the country finance manager of Cadence Inc, which develops electronic design automation software and hardware for clients worldwide and is a public company listed on NASDAQ. Ms. Guan holds a bachelor's degree in industry management engineering from China Agricultural University and a master's degree in accounting from the Central Finance and Economics University and is a certified public accountant in China.

Jian Liu joined us in April 2000 and is our chief operations officer. Mr. Liu is in charge of overseeing the operations and management of our business operations. Mr. Liu was also the group's first chief information officer. Prior to joining our group, Mr. Liu worked at the information center of Ningbo Economic Committee in Zhejiang Province. Mr. Liu holds a bachelor's degree in computer science from Ningbo University.

Board of Directors

Our board of directors will consist of seven members upon the completion of this offering. 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 or transaction in which he or she is materially interested provided the nature of the interest is disclosed prior to its consideration and any vote on such contract or transaction. Our board of directors may exercise all the powers of the Company to borrow money, mortgage its business, 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 employment.

Duties of Directors

Under Cayman Islands law, our directors have a duty of loyalty to act honestly in good faith 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 amended and restated memorandum and articles of association. We have, in certain circumstances, the right to seek damages against our directors if a duty owed by our directors is breached.

Our board of directors has overall responsibility for managing our operations. The functions and powers of our board of directors include, among others:

- convening shareholders' meetings and reporting its work to shareholders at such meetings;
- implementing shareholders' resolutions;
- determining our business plans and investment proposals;
- formulating our profit distribution plans and loss recovery plans;
- determining our debt and finance policies and proposals for the increase or decrease in our registered capital and the issuance of debentures;
- formulating our major acquisition and disposition plans, and plans for merger, division or dissolution;

- proposing amendments to our amended and restated memorandum and articles of association; and
- exercising any other powers conferred by the shareholders' meetings or under our amended and restated memorandum and articles of association.

Board Committees

Prior to 2006, we had an audit committee in place to assist us in oversight of our financial reporting process. Since 2006, all audit committee, nominating and corporate governance committee and compensation committee functions were handled directly by our board of directors, as the committees were disbanded at that time. In August 2010, our board of directors has established a new audit committee, nominating and corporate governance committee and compensation committee, to exist immediately upon the completion of this offering.

Audit Committee. Our audit committee will consist of Sam Hanhui Sun, who will chair our audit committee, Qian Zhao and Shan Li. Our board of directors has determined that all of our audit committee members are "independent directors" within the meaning of Section 303A of the NYSE Corporate Governance Rules and meet the criteria for independence set forth in Section 10A of the Exchange Act. In addition, our board of directors has determined that Sam Hanhui Sun is qualified as an audit committee financial expert within the meaning of the SEC rules and regulations.

Our audit committee will be responsible for, among other things:

- selecting the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- annually reviewing an independent auditors' report describing the auditing firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors and all relationships between the independent auditors and us;
- setting clear hiring policies for employees or former employees of the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K;
- discussing the annual audited financial statements with management and the independent auditors;
- discussing with management and the independent auditors major issues regarding accounting principles and financial statement presentations;
- reviewing reports prepared by management or the independent auditors relating to significant financial reporting issues and judgments;
- discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- reviewing with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on our financial statements;
- discussing policies with respect to risk assessment and risk management;

- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted to address material issues raised by internal quality control reviews or peer reviews by the independent auditors;
- timely reviewing reports from the independent auditors regarding all critical accounting policies and practices to be used by us, all alternative treatments of financial information within U.S. GAAP that have been discussed with management and all other material written communications between the independent auditors and management;
- establishing procedures for the receipt, retention and treatment of complaints received from our employees regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- handling such other matters that are specifically delegated to our audit committee by our board of directors from time to time;
- meeting separately, periodically, with management, internal auditors and the independent auditors; and
- reporting regularly to the full board of directors.

Nominating and Corporate Governance Committee. We have established a nominating and corporate governance committee, which identifies individuals qualified to become directors and recommends director nominees to be approved by our board of directors. The members of our nominating and corporate governance committee will be Qian Zhao, chair of our nominating and corporate governance committee, Shan Li and Mr. Mo, our executive chairman.

Compensation Committee. Our compensation committee will consist of Qian Zhao, Shan Li, chair of our compensation committee, and Mr. Mo, our executive chairman.

Our compensation committee will be responsible for:

- reviewing and making recommendations to our board of directors regarding our compensation policies and forms of compensation provided to our directors and officers;
- reviewing and determining bonuses for our officers and other employees;
- reviewing and determining share-based compensation for our directors, officers, employees and consultants;
- administering our equity incentive plans in accordance with their respective terms; and
- such other matters that are specifically delegated to the compensation committee by our board of directors from time to time.

No director or officer may be directly involved in decisions regarding his or her own compensation.

In connection with the Telstra Private Placement, we entered into an investor's rights agreement, under which we agreed that, immediately after the closing of this offering, we will create two vacancies on our board of directors and will appoint a director designated by Apax to fill one vacancy and a director designated by General Atlantic to fill the other vacancy. In addition, a designee of either General Atlantic or Apax will also serve on each of our audit committee, compensation committee and nomination and corporate governance committee or, if it is unable to meet all requirements under applicable laws, rules and regulations, be permitted to participate as a non-voting observer. See "Certain Relationships and Related Party Transactions—Telstra Private Placement—Investor's Rights Agreement."

Terms of Directors and Executive Officers

Each of our directors holds office until a successor has been duly elected and qualified unless the director was appointed by our board of directors, in which case such director holds office until the following annual meeting of shareholders, at which time such director is eligible for reelection.

Compensation of Directors and Executive Officers

Our executive directors and executive officers receive compensation in the form of salaries, annual bonuses and share options. Our independent directors will receive annual compensation in connection with the performance of their duties. All directors will receive reimbursements from us for expenses necessarily and reasonably incurred by them for providing services to us or in the performance of their duties. We have entered into service contracts with our executive officers. None of these service contracts provide benefits to our directors and executive officers upon termination.

In 2009, we paid aggregate cash compensation of approximately US$426,854 to our executive directors and executive officers as a group. In 2009, we granted selected directors, officers and employees options to acquire an aggregate of 1,033,654 ordinary shares. We have no service contracts with any of our directors or executive officers that provide benefits to them upon termination. We do not pay or set aside any amounts for pension, retirement or other similar benefits for our officers and directors.

Share Options

Stock Related Award Incentive Plan

At a meeting held on September 1, 1999, our board of directors reserved a total of 12.0% of our fully diluted share capital for issuance upon the exercise of options to be granted to our executive directors, officers and employees or their affiliated entities from time to time. On September 1, 1999, our shareholders approved the stock-related award incentive plan, or the Plan. The number of options awarded to a person was based on the person's potential ability to contribute to our success, the person's position with us and other factors deemed relevant and necessary by our board of directors. Under the Plan, we awarded to several of our employees and directors options to purchase 8,895,000 ordinary shares of our Company, 5,745,000 options of which are outstanding excluding special stock options as of June 30, 2010. Options generally do not vest unless the grantee remains under our employment or in service with us on the given vesting date. However, the Plan provides that in circumstances where there is a change in the control of our Company, if no substitution or assumption is provided by the successor corporation, the outstanding options will automatically vest and become exercisable for a period of 30 days, after which such options will terminate. The termination date for the options granted is 10 years after the date of grant.

On August 31, 2006, Telstra International acquired 55.1% of our equity interest (assuming all outstanding options have not been exercised) and became a significant shareholder of our Company, which resulted in a change in control event as defined in the Plan. Pursuant to a shareholders' agreement among our existing shareholders dated August 2006, all options granted under the Plan and prior to the change in control event remain valid and have been assumed by us.

Standard Stock Options

From September 1, 1999 to September 30, 2006, we awarded standard stock options exercisable to acquire Class A or Class B ordinary shares of our Company. Our dual-class structure with Class A and Class B ordinary shares will be effective upon the closing of this offering. All standard stock options were granted to employees and directors and have vested

over the requisite service periods of three to four years using a graded vesting. Options granted normally vested 25.0% or 33.0% per year during the entire vesting periods. The maturity life of the standard stock options is 10 years. Pursuant to a board resolution dated April 20, 2010, our board of directors resolved that the contractual life of the standard stock option was extended from 10 years to 15 years.

From 2001 to 2003, we awarded 1,739,500 standard stock options, classified as liability awards, with an exercise price indexed to Hong Kong dollars. In April 2010, we agreed with the grantees to modify the Hong Kong dollar exercise currency to U.S. dollars. As a result, 1,739,500 stock options with exercise prices ranging from HK$1.00 to HK$5.00 were modified to contain exercise prices ranging from US$0.13 to US$0.64.

Special Stock Options

On December 31, 2006, we awarded special stock options to our employees and directors. Terms for special stock options were the same as standard stock options, except that the special stock options are exercisable into only non-voting ordinary shares and that two special stock options are exercisable into one non-voting ordinary share. These special stock options vest 10.0% after the first year of service, 20.0% after the second year of service, 40.0% after the third year of service and 30.0% after the fourth year of service. The maturity life of the special stock option is 10 years.

From December 31, 2006 to December 31, 2009, we awarded 7,636,200 special stock options, with an exercise price of US$2.50 on December 31, 2006, 2007 and 2008, and US$5.00 on December 31, 2009.

Our dual-class structure will be effective upon the closing of this offering. We may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants until the closing date of this offering. All issued and outstanding non-voting ordinary shares, if any, will automatically be converted into Class A ordinary shares on a 1:1 basis upon the closing of this offering, and all stock options exercisable into non-voting ordinary shares will likewise automatically become exercisable into Class A ordinary shares. As of June 30, 2010, we had granted outstanding options to purchase 2,429,500 Class A ordinary shares, 3,315,500 Class B ordinary shares and 3,819,050 non-voting ordinary shares.

Our board of directors may amend, alter, suspend or terminate the Plan at any time, provided, however, that our board of directors must first seek the approval of our shareholders and, if such amendment, alteration, suspension or termination would adversely affect the rights of an optionee under any option granted prior to that date, the approval of such optionee. Without further action by our board of directors, our Plan has no specified termination date.

Upon the closing of this offering, we will have two classes of ordinary shares: Class A ordinary shares and Class B ordinary shares. We may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants until the closing date of this offering. All issued and outstanding non-voting ordinary shares, if any, will automatically be converted into Class A ordinary shares on a 1:1 basis upon the closing of this offering, and all stock options exercisable into non-voting ordinary shares will likewise automatically become exercisable into Class A ordinary shares. The following table sets forth the total number of Class A, Class B and non-voting ordinary shares to be issued upon exercise of the options to

directors and executives officers, the exercise price of the options awarded, the date of grant and the date of expiration, as of June 30, 2010:

	Number of Class A ordinary shares to be issued upon exercise of options	Number of Class B ordinary shares to be issued upon exercise of options	Number of non-voting ordinary shares to be issued upon exercise of options	Exercise price per ordinary share (US$)	Date of grant	Date of expiration
Mr. Mo[1]	—	—	225,000	US$ 5.00	December 31, 2006	December 30, 2016
	—	—	225,000	5.00	December 31, 2007	December 30, 2017
	—	—	225,000	5.00	December 31, 2008	December 30, 2018
	—	—	225,000	10.00	December 31, 2009	December 30, 2019
Media Partner / Mr. Mo[1]	—	250,000[2]	—	0.13	June 18, 1999	June 17, 2014
	—	250,000[2]	—	0.26	June 30, 2000	June 29, 2015
	—	250,000[2]	—	0.26	October 1, 2001	September 30, 2016
	—	250,000[2]	—	0.26	June 30, 2002	June 29, 2017
	—	125,000[2]	—	0.64	October 1, 2002	September 30, 2017
Next Decade / Mr. Mo[1]	—	1,754,500	—	5.00	September 30, 2006	September 29, 2021
Aceview Investment Limited / Mr. Dai	250,000	—	—	0.13	June 18, 1999	June 17, 2014
	82,000	—	—	4.06	September 1, 1999	August 30, 2014
	100,000	—	—	0.26	June 30, 2000	June 29, 2015
	100,000	—	—	0.26	October 1, 2001	September 30, 2016
	100,000	—	—	0.26	June 30, 2002	June 29, 2017
	50,000	—	—	0.64	October 1, 2002	September 30, 2017
	55,000	—	—	1.97	October 28, 2004	October 27, 2019
	—	—	18,750	5.00	December 31, 2006	December 30, 2016
	—	—	18,750	5.00	December 31, 2007	December 30, 2017
	—	—	18,750	5.00	December 31, 2008	December 30, 2018
	—	—	18,750	10.00	December 31, 2009	December 30, 2019
Shan Li	—	*	—	4.06	June 18, 1999	June 17, 2014
	—	*	—	0.13	September 1, 1999	August 30, 2014
	—	*	—	1.97	April 28, 2004	April 27, 2019
	—	—	*	5.00	December 31, 2006	December 30, 2016
	—	—	*	5.00	December 31, 2007	December 30, 2017
	—	—	*	5.00	December 31, 2008	December 30, 2018
	—	—	*	10.00	December 31, 2009	December 30, 2019
Quan Zhou	—	*	—	1.97	April 28, 2004	April 27, 2019
	—	—	*	5.00	December 31, 2006	December 30, 2016
	—	—	*	5.00	December 31, 2007	December 30, 2017
	—	—	*	5.00	December 31, 2008	December 30, 2018
	—	—	*	10.00	December 31, 2009	December 30, 2019
Newtech Ventures Limited / Quan Zhou	—	*	—	US$ 0.13	September 1, 1999	August 30, 2014
Telstra International	—	—	*[3]	5.00	December 31, 2006	December 30, 2016
	—	—	*[3]	5.00	December 31, 2007	December 30, 2017
	—	—	*[3]	5.00	December 31, 2008	December 30, 2018
	—	—	*[3]	10.00	December 31, 2009	December 30, 2019
	—	—	*[3]	10.00	April 20, 2010	April 20, 2020
Jian Liu	*	—	—	0.26	October 1, 2001	September 30, 2016
	*	—	—	0.64	October 1, 2002	September 30, 2017
	*	—	—	1.97	October 28, 2004	October 27, 2019
	—	—	*	5.00	December 31, 2006	December 30, 2016
	—	—	*	5.00	December 31, 2007	December 30, 2017
	—	—	*	5.00	December 31, 2008	December 30, 2018
	—	—	*	10.00	December 31, 2009	December 30, 2019

	Number of Class A ordinary shares to be issued upon exercise of options	Number of Class B ordinary shares to be issued upon exercise of options	Number of non-voting ordinary shares to be issued upon exercise of options	Exercise price per ordinary share (US$)	Date of grant	Date of expiration
Lanying Guan	*	—	—	1.97	October 28, 2004	October 27, 2019
	—	—	*	5.00	December 31, 2006	December 30, 2016
	—	—	*	5.00	December 31, 2007	December 30, 2017
	—	—	*	5.00	December 31, 2008	December 30, 2018
	—	—	*	US$10.00	December 31, 2009	December 30, 2019
Other individuals as a group	3,959,050(3)					

* Upon exercise of all options granted, would beneficially own less than 1.0% of our outstanding ordinary shares.

(1) Represents options granted to Mr. Mo in his capacity as our executive chairman. Pursuant to resolutions passed by our board of directors on August 4, 2010, our board of directors resolved that such options be assigned and allocated to Media Partner and Next Decade.

(2) On August 4, 2010, Media Partner exercised all of its 1,125,000 outstanding and vested stock options to purchase 1,125,000 Class B ordinary shares at an exercise price ranging from US$0.13 per share to US$0.64 per share for an aggregate purchase consideration of US$307,500.

(3) Represents options granted to Bruce J. Akhurst and John Stanhope in their capacity as our directors. Pursuant to resolutions passed by our board of directors on April 20, 2010, our board of directors resolved that such options be assigned and allocated to Telstra International. Mr. Akhurst and Mr. Stanhope disclaim beneficial ownership of the options held by Telstra International.

(3) Includes special share options exercisable into 2,426,550 non-voting ordinary shares which were granted to individuals other than our directors and executive officers.

2010 Stock Incentive Plan

We adopted our 2010 stock incentive plan on August 4, 2010. The purpose of our 2010 stock incentive plan is to recognize and acknowledge the contributions made to our Company by eligible participants and to promote the success of our business. By providing an opportunity to have a personal stake in our company, our 2010 stock incentive plan aims to:

- attract and retain the best available personnel;
- to provide an additional incentive to our employees, directors and consultants; and
- to promote the success of the Company's business.

Eligible Participants

Under our 2010 stock incentive plan, our board of directors or its designated committee may, at its discretion, offer to grant an option to subscribe for such number of our ordinary shares at an exercise price as our directors may determine to the following parties:

- any full-time or part-time employees, executives or officers of us, our parent or any of our subsidiaries;
- any directors, including non-executive directors and independent non-executive directors, of us, our parent or any of our subsidiaries;
- any advisers, consultants and agents to us or any of our subsidiaries; and
- such other persons who, in the sole opinion of our board of directors or its designated committee, has made contributions to the business or other development of us.

Maximum Number of Ordinary Shares

The maximum number of ordinary shares in respect of which options may be granted (including ordinary shares in respect of which options, whether exercised or still outstanding, have already been granted) under our 2010 stock incentive plan may not in the aggregate exceed 10% of the total number of ordinary shares in issue from time to time, including ordinary shares issuable upon conversion of any preferred shares in issue from time to time. Immediately following the completion of this initial public offering and assuming full exercise by the underwriters of their over-allotment option, the maximum number of ordinary shares in respect of which we may grant options (including ordinary shares in respect of which options, whether exercised or still outstanding, have already been granted) under our 2010 stock incentive plan will be 7,606,575 ordinary shares.

Price of Ordinary Shares

The determination by our board of directors, or its designated committee, of the subscription price will be by reference to the fair market value of the ordinary shares. If there exists a public market for our ordinary shares, including our ADSs, the fair market value of our ordinary shares will be (i) the closing price for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by our board of directors, or its designated committee, to be the primary market for our ordinary shares or ADSs or (ii) if the ordinary shares are not traded on any such exchange or national market system, the average of the closing bid and asked prices of an ordinary shares on the NYSE for the day prior to the time of the determination (or, if not such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in *The Wall Street Journal* or such other source as the board of directors or its appointed committee deems reliable. If there is no established market for our ordinary shares, our board of directors, or its designated committee, will determine the fair market value of our ordinary shares in good faith by reference to the placing price of the latest private placement of our ordinary shares and the development of our business operations since such latest private placement.

Performance Criteria

Our 2010 stock incentive plan allows our board of directors, or its designated committee, to establish the performance criteria when granting stock options on the basis of any one of, or combination of, increase in our share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measures of performance selected by our board of directors, or its designated committee. Partial achievement of the specified criteria may result in a vesting corresponding to the degree of achievement as specified in the award agreement with the relevant optionee.

Time of Exercise of Options

The time and conditions under which an option may be exercised will be determined by the board of directors, or its designated committee, under the terms of the 2010 stock incentive plan and as specified in the award agreement with a grantee, but in no case will options be exercisable at a rate of more than one fourth per year over the vesting period from the date the options are granted. Notwithstanding the foregoing, in the case of any options granted to an officer, director or consultant that may become exercisable, the award agreement governing such grant may provide that the options may become exercisable, subject to reasonable conditions such as the officer, director or consultant's continuous service at any time or during any period established in the award agreement governing such grant.

Administration

Our board of directors, or a committee designated by our board of directors, will administer the 2010 share incentive plan. Decisions by our board of directors or a committee designated by our board of directors as to all matters arising in relation to the 2010 share incentive plan or its interpretation or effect are final and binding on all parties.

Termination

Unless terminated earlier, the 2010 share incentive plan will continue for a term of 10 years. Our board of directors has the authority to amend or terminate the 2010 share incentive plan subject to shareholder approval with respect to certain amendments. However, no such action may impair the rights of any grantee of any options unless agreed by the grantee.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership, within the meaning of Rule 13d-3 of the Exchange Act, of our ordinary shares as of the date of this prospectus and as adjusted to reflect the sale of the ADSs offered in this offering and the sale of Class A ordinary shares by Telstra International to General Atlantic, Apax, Next Decade and Digital Link Investments Limited, or Digital Link, or the Telstra Private Placement, for:

- each person known to us to own beneficially more than 5.0% of our ordinary shares;
- our directors and executive officers as a group; and
- each selling shareholder participating in this offering.

	Ordinary shares beneficially owned prior to this offering [1]		Ordinary shares to be sold in this offering [1][2]		Ordinary shares beneficially owned after this offering [1][2]		Percentage of votes held after this offering [1]
	Number [3]	Percent [3]	Number [3]	Percent [3]	Number [3]	Percent [3]	Percent [3]
Principal and Selling Shareholders:							
Telstra International Holdings Limited [4]	40,747,044	50.5%	7,304,008	9.1%	—	—	—
Media Partner Technology Limited [5]	11,355,645	14.1%	—	—	11,355,645	13.9%	34.5%
Next Decade Investments Limited [5][13]	11,985,145	14.9%	—	—	14,849,345	18.2%	37.3%
IDG Technology Venture Investment, Inc. and its affiliates [6]	10,184,405	12.6%	3,441,288	4.3	6,743,117	8.3%	5.2%
General Atlantic Mauritius Limited [7][13]	—	—	—	—	15,347,720	18.8%	4.7%
Apax [8][13]	—	—	—	—	15,347,720	18.8%	4.7%
Directors and Executive Officers [9]:							
Mr. Mo [10]	23,588,290	29.3	—	—	26,452,490	32.4%	72.5%
Shan Li [11]	2,770,985	3.4	—	—	2,869,749	3.5%	8.4%
Quan Zhou[12]	*	*	—	—	*	*	*
Bruce J. Akhurst	*	*	*	*	—	—	—
John Stanhope	*	*	*	*	—	—	—
Jeff Xuesong Leng[7]	—	—	—	—	15,347,720	18.8%	4.7%
Thomas Nicholas Hall [8]	—	—	—	—	15,347,720	18.8%	4.7%
Richard Jiangong Dai	*	*	—	—	*	*	*
Lanying Guan	*	*	—	—	*	*	*
Jian Liu	*	*	—	—	*	*	*
All directors and executive officers as a group	27,565,525	34.2%	*	*	61,223,929	75.0%	90.7%

* Less than 1.0% of total outstanding shares.

(1) Telstra International has agreed to sell 15,347,720 Class A ordinary shares to General Atlantic, 15,347,720 Class A ordinary shares to Apax, 888,888 Class A ordinary shares to Next Decade, one of our corporate shareholders, which is held in an irrevocable discretionary trust established by Mr. Mo, our founder and executive chairman, and 98,764 Class A ordinary shares to Digital Link, a company wholly owned by Shan Li, a director of our company, in the Telstra Private Placement, subject to certain conditions. In the event the underwriters of this offering fail to exercise their over-allotment option under the underwriting agreement, Telstra International has agreed to sell to General Atlantic and Apax, and General Atlantic and Apax have agreed to buy from Telstra International, 879,972 and 879,972 additional Class A ordinary shares, respectively, at the initial public offering price in a transaction exempt from registration under the Securities Act. See “Certain Relationships and Related Party Transactions—Telstra Private Placement.”

(2) Assumes that the underwriters have not exercised their over-allotment option.

(3) The number of ordinary shares outstanding used in calculating the percentage for each listed person includes the ordinary shares subject to options exercisable by such person within 60 days after the date of this prospectus. The calculation of this number also assumes the conversion of the shares of all of our existing shareholders, except IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P., into Class B ordinary shares immediately prior to the closing of this offering.

(4) Telstra International, a Bermuda company, is wholly owned by Telstra Holdings Proprietary Limited, which is in turn wholly owned by Telstra Corporation Limited, a company listed on the Australian Stock Exchange and the New Zealand Stock Exchange. The address of Telstra International is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

(5) All of the shares of Media Partner, a British Virgin Islands company, and Next Decade, a British Virgin Islands company, are held in irrevocable discretionary family trusts established by Mr. Mo, our founder and executive chairman. The address of Media Partner and Next Decade is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. See note (10) below.

(6) IDG Technology, a Massachusetts corporation, is wholly owned by International Data Group Inc., a Massachusetts corporation, which is controlled by Patrick McGovern, the majority shareholder, founder and chairman of International Data Group Inc. The address of IDG Technology is 5 Speen Street, Framingham MA 01701, U.S.A. On March 26, 2010, IDG Technology transferred 5,344,856 ordinary shares and 246,582 ordinary shares to IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P., respectively. Upon conversion of our ordinary shares into Class A and Class B ordinary shares, IDG Technology will hold 4,592,967 Class B ordinary shares, and IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P., together, will hold 5,591,438 Class A ordinary shares. 15,264 Class A ordinary shares are held indirectly by Quan Zhou, our director, through IDG-Accel China Capital Investors L.P. IDG-Accel China Capital L.P. is a Cayman Islands exempted limited partnership located at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002 Cayman Islands and is a fund affiliated with IDG Technology. IDG-Accel China Capital Investors L.P. is a Cayman Islands exempted limited partnership located at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002 Cayman Islands and is also a fund affiliated with IDG Technology.

(7) Includes 15,347,720 Class A ordinary shares that General Atlantic has agreed to purchase from Telstra International in the Telstra Private Placement. General Atlantic GenPar (Mauritius) Limited, or GenPar, controls the management of General Atlantic by virtue of its ownership of a majority of General Atlantic's voting shares. General Atlantic LLC owns all the shares of GenPar. There are twenty-four managing directors of General Atlantic LLC. Upon consummation of the Telstra Private Placement, Jeff Xuesong Leng, a managing director of General Atlantic LLC, will be appointed to our board of directors. Jeff Xuesong Leng disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein. See "Certain Relationships and Related Party Transactions—Telstra Private Placement." The mailing address of General Atlantic is 6th Floor, Tower A, 1 CyberCity, Ebene, Mauritius.

(8) Includes 3,846,216 Class A ordinary shares, 7,242,737 Class A ordinary shares and 4,258,767 Class A ordinary shares that each of Hunt 7-A Guernsey L.P. Inc, Hunt 7-B Guernsey Inc and Hunt 6-A Guernsey Inc has agreed to purchase from Telstra International in the Telstra Private Placement. Hunt 7-A GP Limited controls the management of Hunt 7-A Guernsey L.P. Inc by virtue of its limited partnership agreement; Hunt 7-A GP Limited controls the management of Hunt 7-B Guernsey L.P. Inc by virtue of its limited partnership agreement and Hunt 6-A GP Limited controls the management of Hunt 6-A Guernsey L.P. Inc by virtue of its limited partnership agreement. Upon consummation of the Telstra Private Placement, one Apax designee, Thomas Nicholas Hall, will be appointed to our board of directors. Such Apax designee disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein. See "Certain Relationships and Related Party Transactions—Private Placement." The mailing address of each Apax entity is Third Floor, Royal Bank Place, 1 Glategny Esplanade, St Peter Port, Guernsey GY1 2HJ.

(9) The address of our current directors and executive officers is c/o 8th Floor, Tower 3, Xihuan Plaza, No. 1 Xizhimenwai Avenue, Xicheng District, Beijing 100044 China.

(10) Includes 11,985,145 ordinary shares held by Next Decade, 11,355,645 ordinary shares held by Media Partner and 247,500 ordinary shares subject to options exercisable by Mr. Mo within 60 days after the date of this prospectus. The equity interests of Mr. Mo, our founder and executive chairman, in Next Decade and Media Partner are held in two irrevocable discretionary trusts established by Mr. Mo for the benefit of his designated family members. Mr. Mo, as a part of his estate planning, through an irrevocable discretionary family trust arrangement, transferred to this family trust all of his equity ownership in Next Decade, which holds of record an aggregate of 11,985,145 ordinary shares of our share capital. Mr. Mo established this family trust by a deed of settlement, dated June 8, 2006, as amended, as the ultimate holder of the ordinary shares held of record by Next Decade. The family trust has been established for the benefit of Mr. Mo's designated family members,

including a corporate entity wholly-owned and controlled by one of his family members, as well as other persons and corporations that may be so designated under the deed of settlement, and has a trust period of 100 years unless earlier terminated by the trustee subject to any applicable rule against perpetuities. Mr. Mo continues to act as the protector of the trust. Credit Suisse Trust Limited acts as the trustee of the trust.

In addition, Mr. Mo, as a part of his estate planning, through a similar irrevocable discretionary family trust arrangement, transferred to his family trust all of his equity ownership in Media Partner, which holds of record an aggregate of 11,355,645 ordinary shares of our share capital. Mr. Mo established this family trust by a deed of settlement, dated April 16, 2010, as the ultimate holder of the ordinary shares held of record by Media Partner. The family trust has been established for the benefit of Mr. Mo's designated family members, including a corporate entity wholly-owned and controlled by one of his family members, as well as other persons or corporations that may be so designated under the deed of settlement, and has a trust period of 150 years unless earlier terminated by the trustee subject to any applicable rule against perpetuities. Mr. Mo continues to act as the protector of the trust. Deutsche Bank International Trust Co. (Cayman) Limited acts as the trustee of the trust.

Upon the closing of the Telstra Private Placement, which will occur simultaneously with the closing of this offering, Next Media will also acquire 888,888 Class A ordinary shares from Telstra International.

(11) Includes 2,770,985 ordinary shares held by Digital Link, a British Virgin Islands company, which is wholly owned by Mr. Shan Li, a director of our Company. The address of Digital Link is Apt 3B, Taggart Tower, 109 Repulse Bay Road, Hong Kong. Upon the closing of the Telstra Private Placement, which will occur simultaneously with the closing of this offering, Digital Link will also acquire 98,764 Class A ordinary shares from Telstra International.

(12) Includes ordinary shares held by IDG-Accel China Capital Investors L.P., a Cayman Islands exempted limited partnership, which is partially owned by Mr. Quan Zhou, a director of our Company. The address of IDG-Accel China Capital Investors L.P. is Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002 Cayman Islands. IDG-Accel China Capital Investors L.P. is a fund affiliated with IDG Technology.

(13) In connection with the Telstra Private Placement, General Atlantic and Apax granted Next Decade an option to purchase 987,656 Class A ordinary shares from each of General Atlantic and Apax, if the Telstra Private Placement is consummated at the initial offering price as disclosed on the cover of this prospectus. The option will expire on the second anniversary of the completion of the Telstra Private Placement and may only be exercised in full and not in part. The exercise price for the option is the initial public offering price of each Class A ordinary share, plus 5.0% per annum on such price, to the date of exercise. The number of shares subject to the options and the exercise price are subject to customary anti-dilution adjustments. If the closing of this offering has not occurred on or before September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated), the Telstra Private Placement contemplates an alternative pricing for the private sale as disclosed in the section entitled "Certain Relationships and Related Party Transactions — Telstra Private Placement — Share Purchase Agreement."

As of the date of this prospectus, approximately 0.5% of our outstanding ordinary shares were held by one record holder with an address in the United States.

Upon the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares will be entitled to one vote per share; and holders of Class B ordinary shares will be entitled to 10 votes per share. Only Class A ordinary shares represented by our ADSs will be offered and sold in this offering. Except for IDG-Accel China Capital L.P. and IDG-Accel China Capital Investors L.P., all of our existing shareholders will hold Class B ordinary shares upon the closing of this offering and may choose to convert their Class B ordinary shares into the same number of Class A ordinary shares at any time. Until the closing date of this offering, we may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants. Such non-voting ordinary shares will automatically convert into Class A ordinary shares on a 1:1 basis upon the closing of this offering. See "Description of Share Capital" for a more detailed description of our Class A ordinary shares, Class B ordinary shares and non-voting ordinary shares.

Telstra Private Placement

On August 13, 2010, Telstra International, a holder of 54.3% of our outstanding share capital and a selling shareholder in this offering, entered into a share purchase agreement with

General Atlantic, Apax, Next Decade and Digital Link. Pursuant to the share purchase agreement, Telstra International agreed to sell to General Atlantic, Apax, Next Decade and Digital Link 15,347,720 Class A ordinary shares, 15,347,720 Class A ordinary shares, 888,888 Class A ordinary shares and 98,764 Class A ordinary shares, respectively, in a private sale at the initial public offering price, subject to certain conditions. The investments by General Atlantic, Apax, Next Decade and Digital Link are being made pursuant to transactions exempt from registration under the Securities Act. The closing of the Telstra Private Placement will occur simultaneously with the closing of this offering. If the closing of this offering has not occurred on or before September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated), the Telstra Private Placement contemplates an alternative pricing for the private sale as disclosed in the section entitled "Certain Relationships and Related Party Transactions—Telstra Private Placement —Share Purchase Agreement." See "Certain Relationships and Related Party Transactions—Telstra Private Placement."

Except as disclosed in this prospectus, we are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Shareholders' Agreement

On August 31, 2006, our shareholders, Telstra International, Next Decade, Media Partner, Digital Link Investments Limited, Mr. Mo, Mr. Shan Li, Mr. Dai and IDG Technology Venture Investment Inc., or the Shareholders, entered into a shareholders' agreement to govern the appointment of directors, the frequency of board meetings and the provision of information to shareholders. Pursuant to the shareholders' agreement, the Shareholders also agreed not to transfer or encumber their shares without the prior written consent of the other Shareholders. However, intra-group transfers to any Shareholder's 100% holding company or its wholly-owned subsidiaries or wholly-owned subsidiaries of its holding company are permitted upon prior written notice to the other Shareholders.

Under the terms of the shareholders' agreement, holders of registrable securities have "piggyback" registration rights, which may require us to register all or any part of the registrable securities then held by such holders when we register any of our ordinary shares or other securities in connection with the public offering of such securities solely for cash, but excluding any registration relating solely to the sale of securities to participants in any of our stock plans or a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registrable securities.

Registrable securities include our ordinary shares held by the Shareholders or issuable to them upon conversion of any other securities convertible into our ordinary shares. Prior to the filing of any registration statement we must notify all Shareholders in writing and provide them with an opportunity to include in such registration statement all or any part of the registrable securities held by them. If any of the offerings involves an underwriting, we will not be required to include any registrable security of a holder in such underwriting unless such holder accepts the terms of the underwriting as agreed upon between us and the underwriter(s) selected by us and enters into an underwriting agreement in customary form with the underwriter(s) selected by us. The managing underwriter of any such offering has certain rights to limit the number of our ordinary shares included in such registration. However, the number of registrable securities included in an underwritten public offering subsequent to our initial public offering pursuant to the "piggyback" registration rights may not be reduced to less than 30% of the aggregate securities included in such offering. If a Shareholder disapproves of the terms of any such underwriting, it may withdraw from the underwriting by providing written notice to us and any underwriters at least 10 business days prior to the effective date of the registration statement. If such Shareholder decides not to include its registrable securities in such registration statement, such Shareholder will continue to have

the right to include any registrable securities in any subsequent registration statement or registration statements as may be filed by us with respect to future offerings of securities.

The foregoing piggyback registration rights will terminate, with respect to any Shareholder, after the earlier of:

- three years after the effective date of this offering; or
- such time at which all registrable securities held by such holder can be sold in any three-month period without registration in compliance with Rule 144 of the Securities Act.

Upon the completion of an initial public offering registered under the Securities Act with a valuation of our company of at least US$500,000,000 immediately prior to the offering (or a similar public offering of our ordinary shares in another jurisdiction with similar valuation), the shareholders' agreement, except the provisions governing "piggyback" registration rights and termination of the agreement, will automatically terminate.

The ordinary shares, including ADSs representing our ordinary shares, registered pursuant to the registration statement on Form F-1, of which this prospectus forms a part, represents the maximum number of the ordinary shares to be offered in this offering.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Structure Contracts

To comply with applicable PRC laws, rules and regulations, we conduct our operations in China through Structure Contracts entered into among two of our wholly-owned PRC subsidiaries, SouFun Media and SouFun Network, and 11 consolidated controlled entities: Beijing Internet, Beijing Advertising, Beijing China Index, Beijing Technology, Beijing JTX Technology, Tianjin JTX Advertising, Shanghai Advertising, Shanghai China Index, Shanghai Advertising, Beijing Li Tian Rong Ze and Tianjin Xin Rui. See "Our History and Corporate Structure—Structure Contracts."

Telstra Private Placement

Share Purchase Agreement

On August 13, 2010, Telstra International, one of our significant shareholders and a selling shareholder in this offering, entered into a share purchase agreement with General Atlantic, Apax, Next Decade, the shares of which were held in an irrevocable discretionary family trust established by Mr. Mo, our founder and executive chairman, and Digital Link. Pursuant to the share purchase agreement, Telstra International has agreed to sell to General Atlantic, Apax, Next Decade and Digital Link, and General Atlantic, Apax, Next Decade and Digital Link have agreed to buy from Telstra International, 15,347,720 Class A ordinary shares, 15,347,720 Class A ordinary shares, 888,888 Class A ordinary shares and 98,764 Class A ordinary shares, respectively, in a private sale at the initial public offering price. The investments by General Atlantic, Apax, Next Decade and Digital Link are being made pursuant to transactions exempt from registration under the Securities Act. The closing of the Telstra Private Placement will occur simultaneously with the closing of this offering.

The closing of the Telstra Private Placement is subject to closing conditions, including the consummation of this offering and the condition that the initial public offering price is not in excess of an agreed maximum price per Class A ordinary share. Furthermore, each of General Atlantic's and Apax's obligations to purchase Class A ordinary shares is conditioned on (i) we having not proposed, declared or paid any dividends other than those already declared and disclosed at the signing of the Telstra Private Placement, and (ii) Next Decade purchasing Class A ordinary shares at closing as provided in the share purchase agreement.

In the event the underwriters of this offering fail to exercise their over-allotment option under the underwriting agreement, Telstra International has agreed to sell to General Atlantic and Apax, and General Atlantic and Apax have agreed to buy from Telstra International, 879,972 and 879,972 additional Class A ordinary shares, respectively, at the initial public offering price on an unregistered basis pursuant to an available exemption under the Securities Act. In the event the underwriters partially exercise such over-allotment option, Telstra International's sale of the Class A ordinary shares, relating to the unexercised portion of the over-allotment option, to General Atlantic and Apax will be on a pro rata basis.

To the extent Apax does not purchase the Class A ordinary shares contemplated to be purchased by it pursuant to the Telstra Private Placement, each of General Atlantic and Next Decade has the option to elect to purchase 50.0% of such shares at a price equal to the initial public offering price. To the extent General Atlantic does not purchase the Class A ordinary shares contemplated to be purchased by it under the share purchase agreement, Apax and Next Decade each has a corresponding right with respect to shares not purchased by General Atlantic.

Alternatively, if the closing of this offering has not occurred on or before September 30, 2010 (or the date that is three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated), subject to certain conditions, Telstra International has agreed to sell to General Atlantic, Apax, Next Decade and Digital Link, and General Atlantic, Apax, Next Decade and Digital Link have agreed to buy from Telstra International, 19,862,956 Class A ordinary shares, 19,862,956 Class A ordinary shares, 919,020 Class A ordinary shares and 102,112 Class A ordinary shares, respectively, at a price per Class A ordinary share based on a valuation of 100% of us at US$810 million, or the Alternative Price, on the fourteenth day after the later of (i) September 30, 2010; (ii) three business days after September 30, 2010 if an underwriting agreement has been entered into in the three business days prior to September 30, 2010 and is not terminated; and (iii) a mutually agreed later date.

Under this alternative plan, similarly, to the extent Apax does not purchase the Class A ordinary shares contemplated to be purchased by it, each of General Atlantic and Next Decade has the option to elect to purchase 50.0% of such shares at the Alternative Price; to the extent General Atlantic does not purchase the Class A ordinary shares contemplated to be purchased by it, each of Apax and Next Decade has a corresponding right to shares not purchased by General Atlantic.

Call Option Agreements

Pursuant to call option agreements dated August 13, 2010, each of General Atlantic and Apax has granted Next Decade an option to purchase 987,656 Class A ordinary shares, if the Telstra Private Placement is consummated at the initial offering price, or 1,021,132 Class A ordinary shares, if the Telstra Private Placement is consummated at the Alternative Price, from General Atlantic or Apax, as applicable. The option will expire on the second anniversary of the closing of the Telstra Private Placement and may only be exercised in full, but not in part. The exercise price for the option is the initial public offering price plus 5.0% per annum of the initial public offering price, if the Telstra Private Placement is consummated at the initial offering price, or the Alternative Price plus 5.0% per annum of the Alternative Price, if the Telstra Private Placement is consummated at the Alternative Price, calculated on the basis of the actual number of days elapsed from the date of closing of the Telstra Private Placement to the date of closing of the call option agreement, computed on the basis of a 365-day year. The number of shares subject to the option and the exercise price are subject to customary anti-dilution adjustments.

Investor's Rights Agreement

In connection with the Telstra Private Placement, we entered into an investor's rights agreement with General Atlantic, Apax, Next Decade, Media Partner and Digital Link, dated August 13, 2010, or the Investor's Rights Agreement. Under the Investor's Rights Agreement, we have agreed that, immediately after the closing of this offering, we will create two vacancies on our board of directors and will appoint a director designated by Apax to fill one vacancy and a director designated by General Atlantic to fill the other vacancy. In addition, we have agreed that so long as General Atlantic and its affiliates own at least 10.0% of our outstanding Class A ordinary shares, General Atlantic will be permitted to designate one nominee to our board of directors at each shareholder meeting at which members of our board of directors are elected and we will cause the General Atlantic nominee to be elected. Apax has a corresponding right to designate one nominee to our board of directors. A designee of either General Atlantic and Apax will also serve on our audit committee, compensation committee and nomination and corporate governance committee or, if it is unable to meet all requirements under applicable laws, rules and regulations, be permitted to participate as a non-voting observer. Under the Investor's Rights Agreement, subject to certain limited

exceptions, each of General Atlantic and Apax has agreed not to dispose of any Class A ordinary shares purchased in the Telstra Private Placement for 180 days following the consummation of this offering and has agreed that it will not transfer more than 5.0% of our share capital to a competitor of ours without the prior written consent of our board of directors. Each of General Atlantic, Apax, Next Decade, Media Partner and Digital Link will have a right of first refusal if one of the other parties proposes to sell more than 10.0% of our share capital in a single private transaction or a series of related private transactions. Moreover, in the event that we propose to issue any additional securities in the form of capital stock or convertible debt for the primary purpose of raising equity capital, we will offer each of General Atlantic and Apax the right to purchase its pro rata share of such additional securities on the same terms as the additional securities are to be issued, at least 15 business days prior to the consummation of such transaction. In the event we receive a formal acquisition proposal, we must notify General Atlantic and Apax of such proposal and General Atlantic and Apax will have 15 business days to submit an alternative proposal. We have made certain representations and warranties to each of General Atlantic and Apax regarding our business and the accuracy of the disclosure included in the registration statement on Form F-1, of which this prospectus forms a part, and the private placement memorandum related to the Telstra Private Placement. We have also agreed to indemnify General Atlantic and Apax for any losses up to US$20.0 million each (or, in the event of fraud or willful or intentional misconduct, up to the aggregate purchase price paid under the Share Purchase Agreement by General Atlantic or Apax, as applicable) arising out of any breach by us of any representations, warranties or covenants contained in the Investor's Rights Agreement. The Investor's Rights Agreement will terminate automatically if the share purchase agreement is terminated prior to closing of the Telstra Private Placement or upon entry into a new shareholders' agreement among General Atlantic, Apax, Next Decade, Media Partner, Digital Link and other shareholders of the Company following the termination of the offering.

Registration Rights Agreement

We also entered into a registration rights agreement with General Atlantic and Apax dated August 13, 2010, or the Registration Rights Agreement. Under the Registration Rights Agreement, beginning 180 days after the consummation of this offering, each of General Atlantic and Apax will have demand registration rights pursuant to which we will be required to effect the registration of all or a portion of General Atlantic's and/or Apax's Class A ordinary shares, provided that the aggregate price of registrable securities to be sold to the public is expected to equal or exceed US$20.0 million. Each of General Atlantic and Apax will be entitled to a total of two demand registrations (registrations to be effected under a registration statement on Form F-3 are not counted as demand registrations). We will not be required to effect a demand registration within any six-month period following the effective date of any registration statement pertaining to Class A ordinary shares or ADSs (other than certain registration statements on Form F-4 or with respect to any employee benefit plan).

We will have the right to preempt any demand registration with a primary registration, in which case General Atlantic and Apax will have incidental registration rights as described below. Once we are eligible to use Form F-3, General Atlantic and Apax will have the right to require us to register its Class A ordinary shares on a Form F-3. We will not be required to comply with any demand to file a Form F-3 in certain circumstances, including if the aggregate proceeds expected to be received from the sale of securities requested to be included in the Form F-3 is less than US$5.0 million or if we have effected two registrations on Form F-3 within the last 12 months pursuant to a request by General Atlantic or Apax under the

Registration Rights Agreement. We have agreed to pay certain expenses in connection with any demand or Form F-3 registration.

General Atlantic and Apax also have the right to request that their Class A ordinary shares be included in any registration of our Class A ordinary shares, other than registrations on Form F-4 or S-8 or in compensation or acquisition-related registrations. In addition, the underwriters may, for marketing reasons, cut back all or a part of the shares General Atlantic or Apax have requested to be registered in any incidental registration and we will have the right to terminate any registration we initiated prior to its effectiveness regardless of any request for inclusion by the holders. The Registration Rights Agreement will terminate automatically if the share purchase agreement is terminated prior to closing of the Telstra Private Placement.

Options Exercise Agreement

On August 12, 2010, Telstra International, one of our significant shareholders, entered into an options exercise agreement with us and Mr. Mo, our founder and executive chairman. Pursuant to the options exercise agreement, Telstra International decided to exercise its options in exchange for 20,882 of our non-voting ordinary shares by means of net-share settlement. Pursuant to this agreement, Telstra International became the holder of an additional 20,882 of our non-voting ordinary shares and no longer holds any options. Upon the closing of this offering, such non-voting ordinary shares will automatically convert into Class A ordinary shares on a 1:1 basis.

Loan Agreements with Shareholders of Our Consolidated Controlled Entities

SouFun Media and SouFun Network extended loans to Mr. Mo and Mr. Dai for the purpose of making contributions to the registered capital of our consolidated controlled entities. These loans were documented pursuant to a series of loan agreements dated between May 9, 2004 and March 25, 2010. Mr. Mo and Mr. Dai have agreed that, upon our request, they will repay the loans by means of transferring their entire respective equity interests in our consolidated controlled entities to SouFun Media or SouFun Network, as the case may be, or another entity designated by SouFun Media or SouFun Network, when permitted by applicable PRC laws, rules and regulations. Although there are no specified terms on repayment of the loans, the loans will automatically terminate upon the closing of such equity transfer. If and when Mr. Mo and Mr. Dai terminate their employment with us, they have agreed to transfer their entire respective equity interests in our consolidated controlled entities to SouFun Media or SouFun Network, as the case may be, or another entity designated by SouFun Media or SouFun Network.

Related Party Loans and Other Payments

We have entered into loan agreements with, and have paid commitment deposits to, certain of our related parties for the purpose of securing future online marketing and listing business from these related parties. These related parties include Mr. Mo, our founder and executive chairman, Mr. Dai, our president and chief executive officer, who will become a director of our company immediately following the effectiveness of the registration statement on Form F-1, of which this prospectus forms a part, as well as companies owned by one or both of them, such as Hengshui, which is a PRC real estate development company 51%-owned by Mr. Mo and 49%-owned by independent third parties, and Dong Fang Xi Mei, a PRC company 80.0%-owned by Mr. Mo and 20%-owned by Mr. Dai. Mr. Dai is also Mr. Mo's nephew.

Some of our loans to Mr. Mo and Mr. Dai were extended for the purpose of establishing new entities to expand our business operations, for which Mr. Mo and Mr. Dai were to serve as

nominee shareholders, but our plans to use these entities were subsequently cancelled. We made loans of nil, US$279,000, US$326,000 and US$12,000 in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively, to Mr. Mo. Mr. Mo repaid US$179,000, US$292,000, US$198,000 and nil in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. We made additional loans to Mr. Dai of nil, US$272,000, US$264,000 and nil in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. Mr. Dai repaid nil, US$317,000, US$235,000 and nil in 2007, 2008, 2009 and the six months ended June 30, 2010, respectively. All outstanding director loan amounts were repaid in July 2010.

Recently, we have observed instances in China where real estate sales agents provided commitment deposits to property developers in order to secure a role as the exclusive sales agent for specific projects of the property developers. We believe securing the exclusive provision of online marketing or listing services is helpful for us to maintain or increase our market share. Accordingly, we have occasionally provided commitment deposits to selected customers after careful evaluation. For example, we will only consider providing commitment deposits to customers who have the authority to appoint us as an exclusive provider of online marketing or listing services for a particular property project.

In 2009, we arranged an entrusted loan of US$7.3 million to Hengshui, a PRC property developer, through the Bank of Communications in China with the intention of providing commitment deposits to Hengshui to secure future online marketing and listing business from Hengshui. The loan to Hengshui bore an interest rate of 10.0%. In 2009 and during the six months ended June 30, 2010, Hengshui repaid us US$637,000 and US$6,693,000, respectively, on the principal of the loan through Bank of Communications in China and we received US$85,000 and US$305,000, respectively, in interest. The loan to Hengshui matured and was repaid on May 5, 2010.

On May 4, 2010, we paid a deposit of RMB50 million (US$7.3 million) for the purpose of providing commitment deposits to Hengshui to secure our role as the exclusive future online marketing and listing service provider for Hengshui. This deposit is interest-free and will remain outstanding after this offering. The deposit will be repaid six months after the date of receipt of the deposit by Hengshui. The commitment deposit paid to Hengshui prior to completion of this offering was approved by our board of directors. Mr. Mo has also agreed to personally provide us with an indemnity against any losses resulting from the commitment deposit to Hengshui. As of the date of this prospectus, we have not received any revenues from marketing or listing services from the Hengshui project and plan to start providing such services no earlier than the fourth quarter of 2010 when the Hengshui project is expected to start selling its properties.

In February 2010, in order to facilitate our securing a role as the exclusive provider of online marketing services for the Hainan project of a Hainan property developer, we entered into a commitment deposit arrangement with Dong Fang Xi Mei for RMB15 million (US$2.2 million). At Dong Fang Xi Mei's request, this commitment deposit was directly paid to the Hainan property developer in exchange for securing an exclusive web promotion technical service contract for us for the Hainan project. This deposit was interest-free and was not secured by any collateral or security interest. Dong Fang Xi Mei was the exclusive sales agent for the Hainan project of the Hainan property developer, an independent third party.

In conjunction with the implementation of improvements and remedial measures to our internal control system recommended by Union Strength, we aimed to strengthen our procedures for the authorization and approval of related-party transactions and, accordingly, reduce the number of related-party transactions in preparation for this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control Over Financial Reporting." Accordingly, we sought and reached an agreement to terminate our agreement with Dong Fang Xi Mei. Pursuant to a termination agreement dated July 5, 2010

with Dong Fang Xi Mei, we and Dong Fang Xi Mei terminated our exclusive web promotion technical service contract, effective July 5, 2010, and on July 16, 2010, the commitment deposit we had paid to the Hainan property developer specified by Dong Fang Xi Mei was repaid to us by Dong Fang Xi Mei. Dong Fang Xi Mei terminated its engagement as the exclusive sales agent of the Hainan project of the Hainan property developer and no longer has any role in the Hainan project. The Hainan property developer subsequently selected Wei Ye as its exclusive sales agent. Wei Ye is a Beijing-based real estate sales agent that is not related to us. We have subsequently entered into an exclusive web promotion technical service contract with Wei Ye, and as part of the arrangement, we have agreed to provide a commitment deposit of up to RMB50 million (US$7.3 million) to Wei Ye, although the exact amount is subject to further negotiation between us and Wei Ye. After Wei Ye replaced Dong Fang Xi Mei, Wei Ye requested a larger commitment deposit of up to RMB50 million as it expected potentially higher spending on online marketing services in Hainan as property developers in Hainan may attempt to offset the impact of the government's tightening measures on the Hainan property market by strengthening their marketing campaigns. After our evaluation, we believe an increase in the commitment deposit amount is justified to secure this business opportunity for us and we agreed to potentially increase the amount of the commitment deposit to up to RMB50 million, although the final amount remains subject to negotiations between us and Wei Ye. We do not expect to receive any security or interest on the commitment deposit to be paid to Wei Ye. See "—Other Related Party Transactions."

As of June 30, 2010, there is one outstanding commitment deposit to a related party, Hengshui, and this deposit will be repaid by Hengshui on November 4, 2010. In order to eliminate any risk of loss to us arising from a non-payment by Hengshui during the course of our preparation for this offering, Mr. Mo has agreed to personally provide us with an unsecured indemnity against any loss resulting from this related-party commitment deposit. Going forward, in the interest of good corporate governance, we will not enter into any new commitment deposit or loan arrangements with related parties. As all our future commitment deposit arrangements will only be with non-related parties, Mr. Mo does not plan to indemnify any of our future commitment deposit arrangements.

While we have not historically specified the permissible scope of use of commitment deposits provided to our customers within the contracts granting these commitment deposits, going forward, we intend to specify that the commitment deposits paid to our customers must be applied towards the specified real estate development projects in order to fund their development, sales and marketing activities and general working capital, and may not be used to pay for marketing or listing services provided by us.

Other Related-Party Transactions

We have also entered into business contracts with certain of our related parties, including companies owned by Mr. Mo, our founder and executive chairman, and/or Mr. Dai, our president and chief executive officer, who is also Mr. Mo's nephew. These related parties include Hengshui relating to its property projects in China and Dong Fang Xi Mei relating to a third-party property project in Hainan, China. As of the date of this prospectus, other than the interest income from Hengshui as a result of our loan to it as described in "—Related Party Loans and Other Payments" above, we have not received any other revenues from Hengshui. As of June 30, 2010, we have received US$0.4 million from our provision of marketing services in connection with the Hainan project that is the subject of the Dong Fang Xi Mei transaction.

Directors' Proxy Agreement

In May 2004, Beijing Zhongfangzhi entered into a proxy agreement with us, under which Beijing Zhongfangzhi agreed to cause the directors it nominated to the board of Beijing Information to irrevocably entrust their rights of attending board meetings and casting votes to

the directors nominated by us. Beijing Zhongfangzhi will nominate directors to the board of Beijing Information upon our consent, and the directors they nominate will vote in accordance with the instructions of the directors nominated by us on all material matters regarding corporate governance and liquidation of Beijing Information. The agreement will continue unless earlier terminated upon written consent by all parties to the agreement. The agreement is governed by the laws of China and disputes arising under the agreement will be resolved by binding arbitration in China.

Shareholders' Agreement

See "Principal and Selling Shareholders—Shareholders' Agreement."

Stock Incentive Plan

See "Management—Share Options."

DESCRIPTION OF SHARE CAPITAL

Upon the closing of this offering, an amended and restated memorandum and articles of association will replace our current memorandum and articles of association in their entirety. You may find our current memorandum and articles of association and our amended and restated memorandum and articles of association filed with the SEC as exhibits to the registration statement on Form F-1, of which this prospectus forms a part. Our amended and restated memorandum and articles of association will provide that, upon the closing of this offering, we will have two classes of ordinary shares: Class A ordinary shares and Class B ordinary shares.

On August 4, 2010, our shareholders approved the reclassification and subdivision of our existing issued and paid-up share capital into Class A and Class B ordinary shares. Holders of Class A and Class B ordinary shares will have the same rights except for voting and conversion rights, as described in the following paragraphs. Immediately following the closing of this offering, our authorized share capital will consist of 600,000,000 shares, par value of HK$1.00 per share, of which 49,007,482 shares, or 50,767,426 shares if the underwriters exercise in full their over-allotment option to purchase additional ADSs, will be designated as Class A ordinary shares and 25,298,329 shares, or 25,298,329 shares if the underwriters exercise in full their over-allotment option to purchase additional ADSs, as Class B ordinary shares.

We were incorporated as an international business company in the British Virgin Islands on June 18, 1999 and changed our corporate domicile to the Cayman Islands on June 17, 2004 as an exempted company with limited liability under the Cayman Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, or the Cayman Companies Law. Our objects and purpose are unrestricted and shall include, but without limitation: (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company; (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined. These objects and purpose can be found in paragraphs three through six of our amended and restated memorandum and articles of association. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. A Cayman Islands exempted company:

- is a company that conducts its business outside the Cayman Islands;
- is exempted from certain requirements of the Cayman Companies Law, including the filing of an annual return of its shareholders with the Registrar of Companies;
- does not have to make its register of shareholders open to inspection; and
- may obtain an undertaking against the imposition of any future taxation.

Our affairs are governed by our amended and restated memorandum and articles of association and the Cayman Companies Law. The following are summaries of material provisions of our amended and restated memorandum and articles of association and the Cayman Companies Law insofar as they relate to our ordinary shares. This summary is not complete, and you should read our amended and restated memorandum and articles of association, which have been filed as exhibits to the registration statement of which this prospectus is a part.

The following discussion primarily concerns ordinary shares and the rights of holders of ordinary shares. You, as holders of our ADSs, will not be treated as our shareholders and you must surrender your ADSs for cancellation and withdrawal from the depositary facility in which the ordinary shares are held in order to exercise shareholders' rights in respect of the ordinary shares underlying your ADSs. Under the terms of the deposit agreement, the depositary has agreed, subject to certain legal and contractual limitations, to exercise certain shareholder rights on your behalf and on behalf of other holders of our ADSs. See "Description of American Depositary Shares—Voting Rights."

General

Upon the closing of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights as described below. All of our outstanding ordinary shares are fully paid and non-assessable. Ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

General Meetings

We may call an annual general meeting and any extraordinary general meeting by not less than 10 days' notice in writing. Notice of every general meeting will be given to all of our shareholders other than those that, under the provisions of our amended and restated articles of association or the terms of issue of the shares they hold, are not entitled to receive such notices from us, and also to our principal external auditors and our Directors. Currently, the terms of issue of our existing shares and our amended and restated articles of association do not provide for any circumstances where our shareholders will not receive notices of annual general meetings or any extraordinary general meetings. General meetings may be called only by the chairman of our board of directors or a majority of our board of directors and may not be called by any other person. Notices of general meetings must include the general nature of business to be considered at any extraordinary general meeting or any matter to be considered at any annual general meeting other than with respect to: (1) declarations of dividends; (2) the adoption of our financial statements and related reports of directors and auditors; (3) the election of directors; (4) the appointment of auditors and other officers; (5) the fixing of the remuneration of the auditors and directors; (6) our authority to grant options over or dispose of our unissued shares representing not more than 20.0% of the nominal value of our share capital; and (7) our ability to repurchase our securities.

Notwithstanding that a meeting is called by shorter notice than that mentioned above, it will be deemed to have been duly called, if it is so agreed (1) in the case of a meeting called as an annual general meeting by all of our shareholders entitled to attend and vote at the meeting; (2) in the case of any other meeting, by a majority in number of our shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95.0% in nominal value of the ordinary shares giving that right.

The shareholders present in person or by proxy that represent not less than a majority of our issued and outstanding voting shares will constitute a quorum. No business other than the

appointment of a chairman may be transacted at any general meeting unless a quorum is present at the commencement of business. However, the absence of a quorum will not preclude the appointment of a chairman. If present, the chairman of our board of directors will be the chairman presiding at any of our shareholders meetings.

A corporation being a shareholder will be deemed for the purpose of our amended and restated articles of association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting or at any relevant general meeting of any class of our shareholders. Such duly authorized representative will be entitled to exercise the same powers on behalf of the corporation which he or she represents as that corporation could exercise if it were our individual shareholder.

The quorum for a separate general meeting of the holders of a separate class of shares is described in "—Modification of Rights" below.

Conversion of Class B Ordinary Shares

Each Class B ordinary share will be convertible into one Class A ordinary share at any time by its holder. Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by its holder to any person or entity which is not an affiliate of such holder (as defined in our amended and restated articles of association), such Class B ordinary shares will be automatically and immediately converted into the equal number of Class A ordinary shares.

Until the closing date of this offering, we may also have a class of non-voting ordinary shares outstanding related to the exercise of certain option grants. Immediately upon the completion of this offering, each issued and outstanding non-voting ordinary share, if any, will automatically be converted into one Class A ordinary share, and all stock options exercisable into non-voting ordinary shares will automatically become exercisable into Class A ordinary shares.

Voting Rights Attaching to the Shares

All of our shareholders have the right to receive notice of general meetings and to attend, speak and vote at such meetings. In respect of matters requiring shareholders' vote, each Class A ordinary share will be entitled to one vote, each Class B ordinary share will be entitled to 10 votes, and our non-voting ordinary shares, which may be outstanding prior to the closing of this offering, will not be entitled to any vote. A shareholder may participate at a general meeting in person, by proxy or by telephonic conference or other communications equipment by means of which all the shareholders participating in the general meeting can communicate with each other. A poll may be demanded by our chairman or any shareholder holding at least 50.0% of the issued shares of a class given a right to vote at the meeting, present in person or by proxy.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution is required for important matters such as a change of name. Holders of the ordinary shares may effect certain changes by ordinary resolution, including altering the amount of our authorized share capital, consolidating and dividing all or any of our share capital into shares of larger amount than our existing share capital and canceling any shares. Our amended and restated memorandum and articles of association also permit our board to issue additional classes of shares that may have superior voting rights to our existing shares.

No shareholder will be entitled to vote or be reckoned in a quorum, in respect of any share, unless such shareholder is registered as our shareholder at the applicable record date for that meeting and all calls or installments due by such shareholder to us have been paid.

If a clearing house or depositary (or its nominee) is our shareholder, it may authorize such person or persons as it thinks fit to act as its representative at any meeting or at any meeting of any class of shareholders, provided that, if more than one person is so authorized, the authorization must specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision is entitled to exercise the same powers on behalf of the clearing house or depositary (or its nominee) as if such person was the registered holder of our shares held by that clearing house or depositary (or its nominee) including the right to vote individually on a show of hands.

While there is nothing under the laws of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of our directors, unlike the requirement under Delaware law that cumulative voting for the election of directors be permitted only if expressly authorized in the certificate of incorporation, it is not a concept that is accepted as a common practice in the Cayman Islands, and we have made no provision in our amended and restated articles of association to allow cumulative voting for such elections.

Protection of Minority Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of our shares in issue, appoint an inspector to examine our affairs and report thereon in a manner as the Grand Court may direct.

Any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding-up order if the court is of the opinion that it is just and equitable that we should be wound up or, as an alternative to a winding up order: (1) an order regulating the conduct of our affairs in the future; (2) an order requiring us to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do; (3) an order authorizing civil proceedings to be brought in our name and on our behalf by the shareholder petitioner on such terms as the court may direct; or (4) an order providing for the purchase of the ordinary shares of any shareholders by other shareholders or by ourselves and, in the case of a purchase by ourselves, a reduction of our capital accordingly.

Claims against us by our shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our amended and restated memorandum and articles of association.

The Cayman Islands courts ordinarily would be expected to follow English case-law precedents, which permit a minority shareholder to commence a representative action against, or derivative actions in our name to challenge: (1) an act which is *ultra vires* or illegal; (2) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of us; and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Pre-Emption Rights

There are no pre-emption rights applicable to the issue of new shares under either Cayman Islands law or our amended and restated memorandum and articles of association.

Liquidation Rights

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares: (1) if we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess will be distributed *pari passu* among those shareholders in proportion to the amount paid up at the commencement of the winding up on the shares held by them, respectively; and (2) if we are wound up and the assets available for distribution among the shareholders as such are insufficient to repay the whole of the paid-up capital, those assets will be distributed so that, as nearly as may be, the losses will be borne by the shareholders in proportion to the capital paid up at the commencement of the winding up on the shares held by them, respectively.

If we are wound up, the liquidator may, with the sanction of our special resolution and any other sanction required by the Cayman Companies Law, divide among our shareholders in specie or kind the whole or any part of our assets (whether they will consist of property of the same kind or not) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division will be carried out as between the shareholders or different classes of shareholders. The liquidator may also vest the whole or any part of these assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder will be compelled to accept any assets, shares or other securities upon which there is a liability.

Modification of Rights

The rights granted to shareholders are specified in our amended and restated memorandum and articles of association, and, except with respect to share capital (as described below), alterations to our amended and restated memorandum and articles of association may only be made by special resolution of no less than two-thirds of votes cast at a meeting of the shareholders.

Subject to the Cayman Companies Law, all or any of the special rights attached to shares of any class (unless otherwise provided for by the terms of issue of the shares of that class) may be varied, modified or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of our amended and restated articles of association relating to general meetings will apply similarly to every such separate general meeting, but so that the quorum for the purposes of any such separate general meeting or at its adjourned meeting will be a person or persons together holding (or represented by proxy) not less than one-third in nominal value of the issued shares of that class, that every holder of shares of the class will be entitled on a poll to one vote for every such share held by such holder and that any holder of shares of that class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any class of shares will not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Alteration of Capital

We may from time to time by ordinary resolution:

- increase our capital by such sum, to be divided into shares of such amounts, as the resolution may prescribe;
- consolidate and divide all or any of our share capital into shares of larger amount than our existing shares;

- 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 subject to the provisions of the Cayman Companies Law;
- sub-divide our shares or any of them into shares of a smaller amount than is fixed by our amended and restated memorandum of association, subject nevertheless to the Cayman Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as we have power to attach to unissued or new shares; and
- divide shares into several classes and, without prejudice to any special rights previously conferred on the holders of existing shares, attach to the shares respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination in general meeting may be determined by our directors.

We may, by special resolution, subject to any confirmation or consent required by the Cayman Companies Law, reduce our share capital or any capital redemption reserve in any manner authorized by law.

Transfer of Shares

Subject to any applicable restrictions set forth in our amended and restated articles of association, any of our shareholders may transfer all or any of his shares by an instrument of transfer in the usual or common form, in a form prescribed by the New York Stock Exchange or in any other form which our directors may approve.

Our directors may decline to register any transfer of any share which is not paid up or on which we have a lien. Our directors may also decline to register any transfer of any share unless:

- the instrument of transfer is lodged with us accompanied by the certificate for the share to which it relates and such other evidence as our 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 share;
- the instrument of transfer is properly stamped (in circumstances where stamping is required);
- 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; and
- a fee of such maximum sum as the New York Stock Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us for such registration.

If our directors refuse to register a transfer they will, 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.

The registration of transfers may, on notice being given by advertisement in such one or more newspapers or by any other means in accordance with the requirements of the New York Stock Exchange, be suspended and the register closed at such times and for such periods as our directors may from time to time determine; provided, however, that the registration of

transfers will not be suspended nor the register closed for more than 30 days in any year as our directors may determine.

Share Repurchase

We are empowered by the Cayman Companies Law and our amended and restated articles of association to purchase our own shares, subject to certain restrictions. Our directors may only exercise this power on our behalf, subject to the Cayman Companies Law, our amended and restated memorandum and articles of association and any applicable requirements imposed from time to time by the New York Stock Exchange, the SEC or any other recognized stock exchange on which our securities are listed.

Dividends

Subject to the Cayman Companies Law, we may in a general meeting declare dividends in any currency to be paid to our shareholders but no dividends may exceed the amount recommended by our directors. Dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits that our directors determine is no longer needed. Our board of directors may also declare and pay dividends out of the share premium account or any other fund or account that can be authorized for this purpose in accordance with the Cayman Companies Law.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (1) all dividends will be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls will be treated for this purpose as paid up on that share and (2) all dividends will be apportioned and paid pro rata according to the amounts paid upon the shares during any portion or portions of the period in respect of which the dividend is paid.

Our directors may also pay any dividend that is payable on any shares semi-annually or on any other dates, whenever our financial position, in the opinion of our directors, justifies such payment.

Our directors may deduct from any dividend or other monies payable to any shareholder all sums of money (if any) presently payable by such shareholder to us on account of calls, installments or otherwise.

No dividend or other money payable by us on or in respect of any share will bear interest against us.

In respect of any dividend proposed to be paid or declared on our share capital, we or our directors may resolve and direct that (1) such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that our shareholders entitled to such allotment will be entitled to elect to receive such dividend (or part of such dividend if our shareholders so determine) in cash in lieu of such allotment or (2) the shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our directors may think fit. We may also, on the recommendation of our directors, resolve in respect of any particular dividend that, notwithstanding the foregoing, may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right of shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent by mail addressed to the holder at his registered address, or addressed to such person and at such addresses as the holder may direct. Every check or warrant will, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the

register in respect of such shares, and will be sent at his or their risk. Payment of the check or warrant by the bank on which it is drawn will constitute a good discharge to us.

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by our board of directors for the benefit of us until claimed. Any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited by our board of directors and, if so forfeited, will revert to us.

Whenever our directors or our shareholders in a general meeting have resolved that a dividend be paid or declared, our directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid-up shares, debentures or warrants to subscribe for our securities or securities of any other company. Where any difficulty arises with regard to such distribution, our directors may settle it as they think expedient. In particular, our directors may issue fractional certificates, ignore fractions altogether or round the same up or down, fix the value for distribution purposes of any such specific assets, determine that cash payments will be made to any of our shareholders upon the footing of the value so fixed in order to adjust the rights of the parties, vest any such specific assets in trustees as may seem expedient to our directors, and appoint any person to sign any requisite instruments of transfer and other documents on behalf of a person entitled to the dividend, which appointment will be effective and binding on our shareholders.

Untraceable Shareholders

We are entitled to sell any shares of a shareholder who is untraceable, provided that:

- all checks or warrants in respect of dividends of such shares, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years prior to the publication of the advertisement and during the three months referred to in third bullet point below;
- we have not during that time received any indication of the whereabouts or existence of the shareholder or person entitled to such shares by death, bankruptcy or operation of law; and
- we have caused an advertisement to be published in newspapers in the manner stipulated by our amended and restated articles of association, giving notice of our intention to sell these shares, and a period of three months has elapsed since such advertisement and the New York Stock Exchange has been notified of such intention.

The net proceeds of any such sale will belong to us, and when we receive these net proceeds we will become indebted to the former shareholder for an amount equal to such net proceeds.

History of Securities Issuances and Cancellations

The following is a summary of our securities issuances and cancellations during the past three years:

Options. We have granted to certain of our directors, executive officers, employees and their affiliated entities options to purchase Class A, Class B or non-voting ordinary shares. As of June 30, 2010, there are outstanding options to purchase 2,429,500 Class A ordinary shares, 3,315,500 Class B ordinary shares and 3,819,050 non-voting ordinary shares. See “Management—Share Options.”

In addition, on August 12, 2009, we repurchased 88,000 ordinary shares from Phillip Edward Jennings, a former director of us. These ordinary shares were cancelled upon repurchase.

On August 4, 2010, Media Partner exercised all of its 1,125,000 outstanding and vested stock options to purchase 1,125,000 Class B ordinary shares at an exercise price ranging from US$0.13 per share to US$0.64 per share for an aggregate purchase consideration of US$307,500.

Pursuant to an options exercise agreement dated August 12, 2010, Telstra International, one of our significant shareholders, decided to exercise its options in exchange for 20,882 of our non-voting ordinary shares by means of net-share settlement. Pursuant to this agreement, Telstra International became the holder of an additional 20,882 of our non-voting ordinary shares and no longer holds any options. Upon the closing of this offering, such non-voting ordinary shares will automatically convert into Class A ordinary shares on a 1:1 basis.

Recent Sale of Secondary Shares

On August 13, 2010, Telstra International, a holder of 54.3% of our outstanding share capital and a selling shareholder in this offering, entered into a share purchase agreement with General Atlantic, Apax, Next Decade and Digital Link. Pursuant to the share purchase agreement, Telstra International has agreed to sell to General Atlantic, Apax, Next Decade and Digital Link 15,347,720 Class A ordinary shares, 15,347,720 Class A ordinary shares, 888,888 Class A ordinary shares and 98,764 Class A ordinary shares, respectively, in a private sale at the initial public offering price, subject to certain conditions. The investments by General Atlantic, Apax and Next Decade are being made pursuant to transactions exempt from registration under the Securities Act. The closing of the Telstra Private Placement will occur simultaneously with the closing of this offering. See “Certain Relationships and Related Party Transactions—Telstra Private Placement.”

Differences in Corporate Law

The Cayman Companies Law is modeled after similar laws in the United Kingdom but does not follow recent changes in United Kingdom laws. In addition, the Cayman Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Cayman Companies Law applicable to us and the laws applicable to companies incorporated in the United States.

Mergers and Similar Arrangements

A merger of two or more constituent companies under Cayman Islands law requires a plan of merger or consolidation to be approved by the directors of each constituent company and authorization by (a) a majority in number representing 75.0% in value of the shareholders voting together as one class; and (b) if the ordinary shares to be issued to each shareholder in the surviving company are to have the same rights and economic value as the ordinary shares held in the constituent company, a special resolution of the shareholders voting together as one class. A merger between a Cayman Islands parent company and its Cayman Islands subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose, a subsidiary is a company of which at least 90.0% of the issued shares entitled to vote are owned by the parent company. The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands. Except in certain circumstances, a dissenting shareholder of a Cayman Islands constituent company is entitled to payment of the fair value of his or her shares upon dissenting to a merger or consolidation. The exercise of appraisal rights will preclude the exercise of any other rights save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

There are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting or meetings convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the company is not proposing to act illegally or *ultra vires* and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Law or that would amount to a "fraud on the minority."

When a takeover offer is made and accepted by holders of 90.0% of the shares within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction are thus approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

We are not aware of any reported class actions or derivative actions having been brought in a Cayman Islands court that have been successful as the actions that have been brought have failed for technical reasons. In principle, we will normally be the proper plaintiff and 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, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of its authority, could be effected duly if authorized by more than a simple majority vote which has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification

Cayman Islands laws do 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 court to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

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 advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

Corporate Governance

The Cayman Islands law does not restrict transactions with directors, requiring only that directors exercise a duty of care and owe a fiduciary duty to the companies for which they serve. Under our amended and restated articles of association, subject to any separate requirement for audit committee approval under the applicable rules of the New York Stock Exchange or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of his interest in any contract or arrangement in which he is interested, he may vote in respect of any contract or proposed contract or arrangement in which he is interested and may be counted in the quorum at such meeting.

Neither the Companies Law of the Cayman Islands nor our amended and restated articles of association:

- require a majority of our directors to be independent; or
- provide for cumulative voting. While there is nothing under the Companies Law of the Cayman Islands which specifically prohibits or restricts the creation of cumulative voting rights for the election of our directors, unlike the requirement under Delaware law that cumulative voting for the election of directors is permitted only if expressly authorized in the certificate of incorporation, it is not a concept that is accepted as a common practice in the Cayman Islands, and we have made no provision in our amended and restated articles of association to allow cumulative voting for such elections.

Although there is nothing under the Companies Law of the Cayman Islands prohibiting our shareholders from passing resolutions by unanimous written consent, our amended and restated articles of association restrict our shareholders from passing resolutions by such written consent.

Board of Directors

We are managed by our board of directors. Our amended and restated articles of association provide that the number of our directors will be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors, but must consist of not less than three directors. Any director on our board may be removed by way of an ordinary resolution of our shareholders. Any vacancies on our board of directors or additions to the existing board of directors can be filled by ordinary resolution of our shareholders or by the affirmative vote of a majority of the remaining directors, although this may be less than a quorum where the number of remaining directors falls below the minimum number fixed by our board of directors. All of our directors appointed by our board of directors and not by ordinary resolution of our shareholders will hold office until the next following annual general meeting of shareholders and will then be eligible for re-election. There are no membership share ownership qualifications for directors. The compensation committee under our board recommends the remuneration to be paid to the directors.

Meetings of our board of directors may be convened at any time deemed necessary by our secretary on request of any director. Advance notice of a meeting is not required if each director entitled to attend consents to the holding of such meeting.

A meeting of our board of directors is competent to make lawful and binding decisions if a majority of the members of our board of directors are present or represented. At any meeting of our directors, each director is entitled to one vote.

Questions arising at a meeting of our board of directors are required to be decided by simple-majority votes of the members of our board of directors present or represented at the meeting. In the case of a tie vote, the chairman of the meeting will have a second or deciding vote. Our board of directors may also pass resolutions without a meeting by unanimous written consent.

Committees of Board of Directors

Pursuant to our amended and restated articles of association, our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will become effective upon the completion of this offering.

Issuance of Additional Ordinary Shares or Preferred Shares

Our amended and restated memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors may determine, to the extent of available authorized but unissued shares.

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

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

Our board of directors may issue series of preferred shares without action by our shareholders to the extent of such available authorized but unissued preferred shares. Accordingly, the issuance of preferred shares may adversely affect the rights of the holders of our ordinary shares. In addition, the issuance of preferred shares may be used as an anti-takeover device without further action on the part of the shareholders. Issuance of preference shares may dilute the voting power of holders of our ordinary shares.

Subject to applicable regulatory requirements, our board of directors may issue additional ordinary shares without action by our shareholders to the extent of available authorized but unissued ordinary shares. The issuance of additional ordinary shares may be used as an anti-takeover device without further action on the part of the shareholders. Such issuance may dilute the voting power of existing holders of our ordinary shares.

Currently, other than the different rights to be attached to our Class A, Class B and non-voting ordinary shares as disclosed in this prospectus, there are no special rights or restrictions as to voting attached to any of our existing shares. However, our amended and restated memorandum and articles of association permits our board to issue additional classes of shares that may have superior voting rights to our existing shares.

Inspection of Books and Records

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

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 receiving in this offering. Each ADS will represent an ownership interest in four Class A ordinary shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among us, the depositary and you as an ADR holder. In the future, each ADS will also represent any security, cash or other property deposited with the depositary but not distributed directly to you. Unless 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 ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary's office is located at One Chase Manhattan Plaza, 58th Floor, New York, NY 10005.

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, you will not be treated by us 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 ordinary 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 ordinary 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.

The following is a summary of the material terms of the deposit agreement. Because it is a summary, it does not contain all the information that may be important to you. 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 ordinary 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 ordinary shares or other deposited securities, after converting any cash received into U.S. dollars and, in all cases, making any necessary

deductions provided for in the deposit agreement. 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 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.*
- *Ordinary shares.* In the case of a distribution in ordinary shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such ordinary shares. Only whole ADSs will be issued. Any ordinary 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 ordinary shares.* In the case of a distribution of rights to subscribe for additional ordinary shares or other rights, if we 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 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, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing.

  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.

If the depositary determines 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 impractical 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, ordinary 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 ordinary shares or evidence of rights to receive ordinary 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 ordinary shares.

Ordinary shares deposited in the future with the custodian must be accompanied by certain delivery documentation, including instruments showing that such ordinary shares have been properly transferred or endorsed to the person on whose behalf the deposit is being made.

The custodian will hold all deposited ordinary 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 ordinary 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 ordinary shares. The deposited ordinary shares and any such additional items are referred to as “deposited securities”.

Upon each deposit of ordinary 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 depositary and any taxes or other fees or charges owing, the depositary 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 depositary’s direct registration system, and a registered holder will receive periodic statements from the depositary 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 depositary’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 depositary’s office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying ordinary shares to you or upon your written order. In the case of certificated ADSs, delivery will be made at the custodian’s office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of ordinary 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.

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 ordinary shares,
- to give instructions for the exercise of voting rights at a meeting of holders of ordinary 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
- 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 ordinary shares which underlie your ADSs. The depositary, as the registered holder of the ordinary shares underlying the ADRs and any proxy holder appointed by a registered holder of our ordinary shares can participate at general meetings by means of conference, telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously. 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 ordinary 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 ordinary shares or other deposited securities, to vote or to have its agents vote the ordinary shares or other deposited securities as you instruct. The depositary will only vote or attempt to vote as you instruct. 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.

Under our amended and restated articles of association, any annual general meeting and any extraordinary general meeting may be called by not less than ten (10) clear days' notice

unless the shareholders agree to short notice in the manner permitted under our amended and restated articles of association. The ability of the depositary to obtain and carry out your voting instructions may be limited by time and practical limitations. 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 ordinary 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 ordinary shares, issuances in respect of ordinary 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 ordinary 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 ordinary 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 ADRs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of U.S.$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to U.S.$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to U.S.$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);
- reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of the depositary's 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 ordinary shares or other 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 charge 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 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 ordinary 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 ordinary 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; and
- expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars.

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, including investor relations expenses and exchange application and listing fees. Neither the depositary nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of fees to be charged to holders of ADSs and (iii) our reimbursable expenses related to the ADR program are not known at this time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing ordinary 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 may generally refuse to provide services to any holder until the fees and expenses owing by such holder for those services or otherwise are paid.

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 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 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 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 or (ii) any distributions 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:

(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 give 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 45 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 90th day after our notice of removal was first provided to the depositary. After termination, the depositary's only responsibility will be (i) to deliver deposited securities to ADR holders who surrender their ADRs, and (ii) to hold or sell distributions received on deposited securities. As soon as practicable after the expiration of six months from the termination date, the depositary will sell the deposited securities which remain and hold the net proceeds of such sales (as long as it may lawfully do so), without liability for interest, in trust for the ADR holders who have not yet surrendered their ADRs. After making such sale, the depositary shall have no obligations except to account for such proceeds and other cash.

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, 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 ordinary 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 ordinary shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of ordinary 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 depositary; provided that the ability to withdrawal ordinary shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of ordinary 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 depositary, ourselves and our respective agents. Neither we nor the depositary 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 (including the Hong Kong Special Administrative Region) 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 or other circumstance beyond our, the depositary's or our respective agents' control shall prevent, delay or subject to any civil or criminal penalty any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the deposit agreement or the ADRs;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or bad faith;
- 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 ordinary 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 or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the depositary 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 depositary 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 depositary shall not be liable for the acts or omissions made by any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of deposited securities or otherwise. Furthermore, the depositary 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.

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. 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.

The depositary 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 ordinary 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 ordinary 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 ordinary shares or ADSs; provided, however, that the depositary may (i) issue ADSs prior to the receipt of ordinary shares and (ii) deliver ordinary shares prior to the receipt of ADSs for withdrawal of deposited securities, including ADSs which were issued under (i) above but for which ordinary shares may not have been received (each such transaction a "pre-release"). The depositary may receive ADSs in lieu of ordinary shares under (i) above (which ADSs will promptly be canceled by the depositary upon receipt by the depositary) and receive ordinary 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 ordinary shares are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the ordinary 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 ordinary shares or ADSs in its records and to hold such ordinary shares or ADSs in trust for the depositary until such ordinary 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 ordinary 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 ordinary 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 ordinary 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 pursuant to (b) above, but not the earnings thereon, shall be held for the benefit of the registered holders of ADRs (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 depositary 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 depositary 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.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our ordinary shares or our ADSs, and while we have received approval to list our ADSs on the New York Stock Exchange, we cannot assure you that an active trading market for our ADSs will develop or be sustained after this offering. Future sales of substantial amounts of our ADSs in the public market following this offering or the perception that such future sales may occur could adversely affect market price prevailing from time to time and could impair our ability through sale of our equity securities. We currently do not expect that an active trading market will develop for our ordinary shares not represented by the ADSs.

Upon completion of this offering, we will have outstanding 76,065,755 ordinary shares, including those represented by ADSs. All of the ADSs sold in this offering and the ordinary shares they represent will be freely transferable without restriction or further registration under the Securities Act, except for any ADSs purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. Rule 144 defines our affiliate as any person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, our Company. All outstanding ordinary shares prior to this offering are "restricted securities" as that term is defined in Rule 144 because they were issued in private transactions not involving a public offering. Restricted ordinary shares may be sold in the public market in the United States only if registered or if they qualify for an exemption from registration under Rule 144 or 701 promulgated under the Securities Act, which rules are summarized below. This prospectus may not be used in connection with any resale of our ADSs acquired in this offering by our affiliates.

Lock-Up Agreements

We have agreed for a period of 180 days after the date of this prospectus not to sell, transfer or otherwise dispose of, and not to announce an intention to sell, transfer or otherwise dispose of, without the prior written consent of the underwriters:

- any ordinary shares or depositary shares representing ordinary shares;
- any shares of our subsidiaries or controlled affiliates or depositary shares representing those shares; or
- any securities that are substantially similar to the ordinary shares or depositary shares referred to above, including any securities that are convertible into, exchangeable for or otherwise represent the right to receive ordinary shares, other shares or depositary shares referred to above;

other than pursuant to exercises of options under employee share option plans existing on the date of this prospectus.

In addition, we have agreed to cause each of our subsidiaries and controlled affiliates not to sell, transfer or otherwise dispose of, and not to announce an intention to sell, transfer or otherwise dispose of, for a period of 180 days after the date of this prospectus without the prior written consent of the underwriters, any of the securities referred to above, other than pursuant to exercises of options under employee share option plans existing on the date of this prospectus.

Furthermore, all of our existing shareholders, General Atlantic, Apax, our directors and executive officers and a substantial majority of our option holders have also entered into similar 180 day lock-up agreements with respect to ordinary shares, depositary shares representing ordinary shares and securities that are substantially similar to ordinary shares or depositary shares representing ordinary shares.

These restrictions do not apply to (1) the 2,933,238 ADSs and the ordinary shares representing such ADSs being offered in connection with this offering and (2) up to 439,986 ADSs and the ordinary shares representing such ADSs that may be purchased by the underwriters if their over-allotment option to purchase additional ADSs is exercised in full.

In addition, through a letter agreement, we have agreed to instruct JPMorgan Chase Bank, N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we consent to such deposit or issuance, and not to provide consent without the prior written consent of the representatives of the underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See “Underwriting.”

Except as disclosed in this prospectus, we are not aware of any plans by any significant shareholder to dispose of significant numbers of ADSs or ordinary shares. We cannot assure you, however, that one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares will not dispose of significant numbers of ADSs or ordinary shares. See “Principal and Selling Shareholders” for a description of our significant shareholders. No prediction can be made as to the effect, if any, that future sales of ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the market price of our ADSs prevailing from time to time. Sales of substantial amounts of ADSs or ordinary shares in the public market, or the perception that future sales may occur, could materially and adversely affect the prevailing market price of our ADSs.

Rule 144

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is our affiliate or who has been our affiliate at any time during the three months preceding a sale and who has beneficially owned our ordinary shares for at least six months, is entitled to selling within any three-month period a number of ordinary shares that are “restricted securities” under the Securities Act that does not exceed the greater of the following:

- 1.0% of the then outstanding ordinary shares, in the form of ADSs or otherwise, which will equal approximately 760,657 ordinary shares immediately after this offering; or
- the average weekly trading volume of our ordinary shares, 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 such affiliated persons under Rule 144 must be through unsolicited brokers’ transactions. They are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Under Rule 144, a person who is not one of our affiliates at any time during the three months preceding a sale and who has beneficially owned the shares proposed to be sold, in the form of ADSs or otherwise, for at least six months, including the holding period (in case of restricted securities) of any prior owner other than an affiliate, is entitled to sell those shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144 so long as we remain a reporting company and comply with our reporting obligations. After a holding period of one year, such non-affiliated persons may sell our shares or ADSs whether or not we continue to be a reporting company or to comply with our reporting obligations.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, beginning 90 days after the date of this prospectus, each of our employees, consultants or advisors who purchases shares, in the form of ADSs or otherwise, from us in connection with a compensatory benefit plan or other written compensation contract is eligible to resell such shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Registration Rights

We have provided registration rights to our existing shareholders pursuant to the shareholders agreement dated August 31, 2006 and, subject to the completion of this offering, have provided General Atlantic and Apax with registration rights pursuant to the Registration Rights Agreement dated August 13, 2010. Pursuant to these agreements, these parties, or their transferees, will be entitled to requesting that we register their ordinary shares under the Securities Act, following the expiration of the lock-up agreements described above. Under the terms of such shareholders' agreement and the Registration Rights Agreement, holders of registrable securities have "piggyback" registration rights, which may require us to register all or any part of the registrable securities then held by such holders when we register any of our ordinary shares or other securities in connection with the public offering of such securities solely for cash, but excluding any registration relating solely to the sale of securities to participants in any of our stock plans or a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registrable securities. See "Principal and Selling Shareholders—Shareholders' Agreement" and "Certain Relationships and Related Party Transactions—Telstra Private Placement—Registration Rights Agreement" for a description of the registration rights granted under the shareholders' agreement and the Registration Rights Agreement.

TAXATION

The following discussions of the material Cayman Islands and United States federal tax consequences of an investment in our ordinary shares or ADSs are based upon laws and relevant interpretations of such laws in effect as of the date of this prospectus, all of which are subject to change. These discussions do not deal with all possible tax consequences relating to an investment in our ordinary shares or ADSs, such as the tax consequences under state, local and other tax laws. The discussion relating to matters of Cayman Islands tax law constitutes the opinion of Conyers Dill & Pearman, special Cayman Islands counsel to us. The discussion relating to matters of PRC tax law constitutes the opinion of King & Wood, our PRC legal counsel. The following discussion relating to matters of U.S. federal income tax law or legal conclusions has been prepared by Sidley Austin LLP, our special U.S. tax counsel, and, subject to the exceptions and qualifications herein, constitutes the opinion of Sidley Austin LLP under current U.S. federal income tax law. You are urged to consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of our ordinary shares or ADSs.

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 after execution brought within the jurisdiction of, the Cayman Islands. There are no exchange control regulations or currency restrictions in the Cayman Islands.

PRC Taxation

PRC Taxation Relating to Us and Our Corporate Group

We are a holding company incorporated in the Cayman Islands, which indirectly holds our equity interest in our subsidiaries in the PRC. Our business operations are principally conducted through the consolidated controlled entities. The New EIT Law and its implementation rules, both of which became effective on January 1, 2008, provide that China-sourced income of foreign enterprises, such as dividends paid by a PRC resident enterprise to non-PRC resident enterprise shareholders, will normally be subject to PRC withholding tax at a rate of 10.0%, unless there are applicable tax treaties that reduce such rate. According to the Double Tax Arrangement between Mainland China and Hong Kong, dividends paid by a foreign-invested enterprise in mainland China to its corporate shareholder in Hong Kong will be subject to a withholding tax at the maximum rate of 5.0%, provided that such Hong Kong company directly owns at least 25.0% of the equity interest in the PRC company distributing the dividends. Bravo Work and Max Impact are both companies we incorporated in Hong Kong in October 2007. Bravo Work owns 100% of each of SouFun Media and SouFun Network, and Max Impact owns 100% of Beijing Zhong Zhi Shi Zheng. SouFun Media, SouFun Network and Beijing Zhong Zhi Shi Zheng are all PRC companies. Accordingly, any dividends that SouFun Media or SouFun Network pays to Bravo Work and any dividends that Beijing Zhong Zhi Shi Zheng pays to Max Impact will likely be subject to a withholding tax at the rate of 5.0% under the Tax Agreement.

Pursuant to Circular 124, however, we must submit an application to and obtain approval from authorized local tax bureaus to be able to claim the benefits of the Tax Agreement. Pursuant to Circular 124, non-tax residents of China who wish to enjoy a treaty benefit on their China-sourced income under a Sino-foreign double tax agreement have to go through either an “approval application” procedure (for passive income—dividends, interest, royalties and capital gains) or “record filing” procedure (for active income—business profits of a permanent

establishment, service fees and personal employment income) in which specific forms attached to Circular 124 have to be submitted to relevant Chinese tax authorities together with relevant supporting documentation. Therefore, we must submit an application to and obtain approval from authorized local tax bureaus to take advantage of the decreased withholding tax for our Hong Kong-incorporated holding companies under the Tax Agreement.

In addition, in October 2009, SAT further issued Circular 601. According to Circular 601, non-resident enterprises which could not provide valid supporting documents as "beneficiary owners" could not be approved to enjoy treaty benefits. Therefore, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to a withholding tax rate of 10.0% if our Hong Kong subsidiaries can not be considered a "beneficial owner" under Circular 601.

The implementing rules for the New EIT Law define "de facto management organization" as the body that exercises substantial and comprehensive control over the production, operation, personnel, accounting, property and other factors of an enterprise. The PRC SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, in April 2009. Circular 82 provides certain specific criteria for determining whether the "de facto management bodies" of a Chinese-controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by PRC individuals or foreigners, like us, the determining criteria set forth in Circular 82 may reflect SAT's general position on how the "de facto management bodies" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners.

Substantially all members of our management are currently located in China and we expect them to continue to be located in China for the foreseeable future. Consequently, we may be deemed to be a PRC tax resident enterprise and therefore be subject to an enterprise income tax rate of 25.0% on our worldwide income if no preferential tax treatment is applicable. According to the New EIT Law and its implementing rules, dividends are exempted from income tax if such dividends are received by a resident enterprise on equity interest it directly owns in another resident enterprise. Therefore, it is possible that the dividends we receive through Bravo Work from SouFun Media and SouFun Network and through Max Impact from Beijing Zhong Zhi Shi Zheng would be tax-exempt income under the New EIT Law if each of Bravo Work and Max Impact is also deemed to be a "resident enterprise."

If we are deemed to be a PRC tax resident enterprise, we would then be obliged to withhold PRC withholding income tax on the gross amount of dividends we paid to shareholders who are non-PRC tax residents. The withholding income tax rate is 10.0%, unless otherwise provided under the applicable double tax treaties between China and governments of other jurisdictions.

Although the New EIT Law and its implementing rules have been effective for over two years, significant uncertainties still exist with respect to the interpretation of the New EIT Law and its implementing rules. Any increase in the enterprise income tax rate applicable to us, the imposition of PRC income tax on our global income or the imposition of withholding tax on dividends distributed by our subsidiaries to us could have a material adverse effect on our business, financial condition and results of operations.

In April 2010, SAT announced Circular 157 stating that enterprises recognized as "high and new technology enterprises strongly supported by the state" and eligible for the grandfathering treatments such as a two-year exemption from enterprise income tax followed by a three-year half reduction of enterprise income tax under Circular 39 may choose the reduced tax rate of 15.0% applicable to "high and new technology enterprises strongly supported by

the state" or the tax exemption/reduction based on the tax rates in the grandfather period as stated in Circular 39. Enterprises are not allowed the 50.0% reduction based on the preferential tax rate for "high and new technology enterprises strongly supported by the state" of 15.0%. Circular 157 applies retroactively from January 1, 2008.

As a consequence of Circular 157, we believe that the applicable income tax rates for SouFun Network, Beijing Technology and Beijing JTX Technology, as "high and new technology enterprises strongly supported by the state," will be 10.0%, 10.0% and 0% for 2009, respectively, and 11.0%, 11.0% and 11.0% for 2010, respectively, instead of the 7.5%, 7.5% and 0% for 2009 and 7.5%, 7.5% and 7.5% for 2010, respectively, that we used in our audited consolidated financial statements included elsewhere in this prospectus. As we believe Circular 157 is similar to a change in tax law, and the cumulative effect should be reflected in the period of the change, an additional tax expense of US$3.8 million was recognized in the six months ended June 30, 2010 to account for the cumulative effect of Circular 157 for the year ended December 31, 2009 and the three months ended March 31, 2010, the applicable tax periods prior to announcement in April 2010. This additional tax expense consists of current income tax of US$1.1 million and deferred tax expense of US$2.7 million. We are in the process of discussing with the relevant tax authorities settlement procedures for the additional tax required under Circular 157 and thus this additional tax was classified as income tax payable in the balance sheet.

PRC Taxation Relating to Our Overseas Shareholders

The implementation rules of the New EIT Law provide that (i) if the enterprise that distributes dividends is domiciled in the PRC or (ii) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or capital gains are treated as China-sourced income. It is not clear how "domicile" may be interpreted under the New EIT Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we, Bravo Work or Max Impact are considered to be PRC resident enterprises for tax purposes, any dividends we pay to our overseas shareholders or ADS holders as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as PRC-sourced income and as a result become subject to PRC withholding tax at the rate up to 10.0% unless a reduced rate is provided under the applicable double tax treaty. See "Risk Factors—Risks Relating to Our ADSs and This Offering—We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax."

United States Federal Income Taxation

The following discussion describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our ADSs or ordinary shares under currently applicable law. This discussion does not address any aspect of U.S. federal gift or estate tax or the state, local or foreign tax consequences of an investment in our ordinary shares or ADSs. This discussion applies to you only if you hold and beneficially own our ordinary shares or ADSs as capital assets for tax purposes. This discussion does not apply to you if you are a member of a class of holders subject to special rules, such as:

- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for securities holdings;
- banks or other financial institutions;
- insurance companies;
- tax-exempt organizations;

- partnerships and other entities treated as partnerships for U.S. federal income tax purposes or persons holding ordinary shares or ADSs through any such entities;
- real estate investment trusts;
- regulated investment companies;
- persons that hold ADSs as part of a hedge, straddle, constructive sale, conversion transaction or other integrated investment;
- U.S. holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar;
- persons liable for alternative minimum tax; or
- persons who actually or constructively own 10.0% or more of the total combined voting power of all classes of our shares (including ADSs) entitled to vote.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this discussion relies in part on our assumptions regarding the projected value of our shares and the nature of our business. Finally, this discussion is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

You should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our ordinary shares or ADSs, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

For purposes of the U.S. federal income tax discussion below, you are a “U.S. holder” if you beneficially own our ordinary shares or ADSs and are:

- a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation, that was created or organized in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if (a) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust has a valid election in effect to be treated as a U.S. person.

For federal income tax purposes, income earned through a foreign or domestic partnership or other flow-through entity is attributed to its owners. Accordingly, if a partnership or other flow-through entity holds ADSs, the tax treatment of the holder will generally depend on the status of the partner or other owner and the activities of the partnership or other flow-through entity.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. holders of ADSs. Such 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 analysis of the creditability of PRC taxes and the availability of the reduced tax rate for

dividends received by certain non-corporate holders, each described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our Company.

U.S. Holders

ADSs. If you hold ADSs, for U.S. federal income tax purposes, you generally will be treated as the owner of the underlying ordinary shares that are represented by such ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to U.S. federal income tax.

Dividends on Ordinary Shares or ADSs. We do not anticipate paying dividends on our ordinary shares or indirectly on our ADSs in the foreseeable future. See "Dividend Policy."

Subject to the passive foreign investment company, or PFIC, discussion below, if we do make distributions and you are a U.S. Holder, the gross amount of any distributions (including amounts withheld to reflect PRC withholding taxes, if any) you receive on your ordinary shares or ADSs will generally be treated as dividend income if the distributions are made from our current or accumulated earnings and profits, calculated according to U.S. federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you, in the case of ordinary shares, or by the depositary in the case of ADSs. Distributions in excess of current and accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of your basis in the ordinary shares or ADSs and thereafter as a capital gain. However, if you are a non-corporate U.S. Holder, including an individual, and have held your ADSs for a sufficient period of time, dividend distributions on our ADSs (but not our ordinary shares) will generally constitute qualified dividend income taxed at a preferential rate (generally 15.0% for dividend distributions before January 1, 2011) as long as our ADSs continue to be readily tradable on the New York Stock Exchange. Dividend distributions on our ordinary shares or ADSs to non-corporate U.S. Holders may also be eligible for this preferential rate if we are eligible for benefits as a resident of the PRC under the income tax treaty between the United States and the PRC, or the U.S.-PRC Treaty. It is possible that we could be deemed a PRC "resident enterprise" under PRC tax law, in which case it is likely that we would be eligible for benefits as a resident of China under the U.S.-PRC Treaty. You should consult your own tax adviser as to the rate of tax that will apply to you with respect to dividend distributions, if any, you receive from us.

We do not intend to calculate our earnings and profits according to U.S. tax accounting principles. Accordingly, notwithstanding the discussion in the preceding paragraph, distributions on our ordinary shares or ADSs, if any, will generally be taxed to you as dividend distributions for U.S. tax purposes. Even if you are a corporation, you will not be entitled to claim a dividends-received deduction with respect to distributions you receive from us. In the event we are treated as a PRC "resident enterprise" under PRC law, we may be required to withhold PRC income tax on dividends paid to you under the New EIT Law. See "Risk Factors—Risks Relating to Our ADSs and this Offering—We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax." Subject to generally applicable limitations, you may claim a deduction or a foreign tax credit for PRC tax withheld at the appropriate rate. In computing foreign tax credit limitation purposes, if you are a non-corporate U.S. Holder, you may take into account only the portion of the dividend effectively taxed at the highest applicable marginal rate. Dividends generally will be categorized as "passive category income" or, in the case of some U.S. Holders, as "general category income" for foreign tax credit limitation purposes. You are urged to consult your own tax adviser as to your ability, and the various limitations on your ability, to claim foreign tax credits in connection with the receipt of dividends.

Sales and other dispositions of ordinary shares or ADSs. Subject to the discussion under the heading "Status as a PFIC" below, in the opinion of our special U.S. counsel, when you sell or otherwise dispose of ordinary shares or ADSs, you will generally recognize capital gain or loss in an amount equal to the difference between the amount realized on the sale or other disposition and your adjusted tax basis in the ordinary shares or ADSs, both as determined in U.S. dollars. Your adjusted tax basis will generally equal the amount you paid for the ordinary shares or ADSs. Any gain or loss you recognize will be long-term capital gain or loss if you have held the ordinary shares or ADSs for more than one year at the time of disposition. If you are an individual, long-term capital gain will be taxed at preferential rates (generally 15.0% for capital gain recognized before January 1, 2011). Your ability to deduct capital losses will be subject to various limitations.

The gain or loss you recognize on a sale or disposition of our ordinary shares or ADSs generally will be treated as arising from sources within the United States for foreign tax credit limitation purposes. However, if gains from the disposition of ordinary shares or ADSs are taxed under the New EIT Law, see "Risk Factors—Risks Relating to Our ADSs and This Offering—We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax," such gains would be treated as arising from sources within China for foreign tax credit limitation purposes. You are urged to consult your own tax advisors regarding the tax consequences to you under your particular circumstances if any PRC withholding tax is imposed on the disposition of ordinary shares or ADSs, including the availability of the foreign tax credit.

Status as a PFIC. If we are a PFIC in any taxable year in which you hold ordinary shares or ADSs, you will generally be subject to additional taxes and interest charges on certain "excess" distributions we make and on any gain realized on the disposition or deemed disposition of your ordinary shares or ADSs regardless of whether we continue to be a PFIC in the year in which you receive an "excess" distribution or dispose of or are deemed to dispose of your ordinary shares or ADSs. Distributions in respect of your ordinary shares or ADSs during a taxable year will generally constitute "excess" distributions if, in the aggregate, they exceed 125% of the average amount of distributions in respect of your ordinary shares or ADSs over the three preceding taxable years or, if shorter, the portion of your holding period before such taxable year.

To compute the tax on "excess" distributions or any gain, (1) the "excess" distribution or the gain will be allocated ratably to each day in your holding period, (2) the amount allocated to the current year and any tax year before we became a PFIC will be taxed as ordinary income in the current year, (3) the amount allocated to other taxable years will be taxable at the highest applicable marginal rate in effect for that year, and (4) an interest charge at the rate for underpayment of taxes for any period described under (3) above will be imposed with respect to any portion of the "excess" distribution or gain that is allocated to such period. In addition, if we are a PFIC, no distribution that you receive from us will qualify for taxation at the preferential rate discussed in the "United States Federal Income Taxation—U.S. Holders—Dividends on Ordinary Shares or ADSs" section above.

We will be classified as a PFIC in any taxable year if either: (1) 75.0% or more of our gross income for the taxable year is passive income (such as certain dividends, interest, rents or royalties), or (2) the average percentage value (determined on a quarterly basis) of our gross assets during the taxable year that produce passive income or are held for the production of passive income is at least 50.0% of the value of our total assets. For purposes of the asset test, any cash, cash equivalents, cash invested in short-term, interest bearing, debt instruments, or bank deposits, and any other current asset that is readily convertible into cash, will generally count as a passive asset.

We operate an active online real estate and home furnishing and improvement Internet portal in China and do not expect to be a PFIC for the taxable year 2010 or future taxable years. We have no current intention to change the general manner in which we organize or conduct our business in later taxable years. Our expectations are based on assumptions as to our projections of the value of our outstanding shares and of the other cash that we will hold and generate in the ordinary course of our business. Despite our expectations, there can be no assurance that we will not be a PFIC for the taxable year 2010 and/or later taxable years, as PFIC status is re-tested each year and depends on the actual facts in such year. We could be a PFIC, for example, if our market capitalization (i.e., our share price multiplied by the total number of our outstanding ordinary shares) at any time in the future is lower than projected, or if our business and assets evolve in ways that are different from what we currently anticipate. In addition, though we believe that our assets and the income derived from our assets do not generally constitute passive assets and income under the PFIC rules, there is no assurance that the U.S. Internal Revenue Service will agree with us. Our special U.S. counsel expresses no opinion with respect to our expectations contained in this paragraph.

If we are a PFIC in any year, as a U.S. holder, you will be required to make an annual return on IRS Form 8621 regarding your ordinary shares or ADSs. In addition, recently enacted legislation will require you, as a U.S. holder, to file an annual information return containing such information as the Secretary of the Treasury may require. The Secretary of the Treasury has not yet indicated what information will be required on this annual information return. You should consult your own tax adviser regarding reporting requirements with regard to your ordinary shares or ADSs.

The ADSs will be “marketable” as long as they remain regularly traded on a national securities exchange, such as the New York Stock Exchange. As a result, if we are a PFIC in any year, in the opinion of our special U.S. counsel, so long as the ADSs are and remain “marketable,” you will be able to avoid the “excess” distribution rules described above by making a timely so-called “mark-to-market” election with respect to your ADSs. If you make this election in a timely fashion, you will generally recognize as ordinary income or ordinary loss the difference between the adjusted tax basis of your ADSs on the first day of any taxable year and their value on the last day of that taxable year. Any income resulting from this election and any gain realized on a sale of such stock will generally be taxed at ordinary income rates and will not be eligible for the reduced rates of tax applicable to qualified dividend income or long-term capital gain. Any ordinary losses will be limited to the extent of the net amount of previously included income as a result of the mark-to-market election, if any. Your basis in the ADSs will be adjusted to reflect any such income or loss. If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and for all subsequent taxable years, unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. You should consult with your own tax adviser regarding potential advantages and disadvantages to you of making a “mark-to-market” election with respect to your ADSs.

In addition, if we are a PFIC in any year, you might be able to avoid the “excess” distribution rules described above by making a timely so-called “qualified electing fund,” or QEF, election to be taxed currently on your pro rata portion of our income and gain. However, we do not intend to generate, or share with you, information that would be necessary for you to make a QEF election.

U.S. Information Reporting and Backup Withholding Rules

In general, dividend payments with respect to the ordinary shares or ADSs and the proceeds received on the sale or other disposition of those ordinary shares or ADSs may be subject to information reporting to the IRS, and to backup withholding (currently imposed at a rate of 28.0%). Backup withholding will not apply, however, if you (1) are a corporation or

come within certain other exempt categories and, when required, can demonstrate that fact or (2) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding and otherwise comply with the applicable backup withholding rules. To establish your status as an exempt person, you will generally be required to provide certification on IRS Form W-9, W-8BEN or W-8ECI, as applicable. Any amounts withheld from payments to you under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided that you furnish the required information to the IRS.

Recently enacted legislation will require you, if you are a certain type of U.S. Holder, to report information with respect to your investment in the ordinary shares or ADSs not held through an account with a financial institution to the IRS. If you fail to report information required under this legislation, you could become subject to substantial penalties. You are encouraged to consult with your own tax advisors regarding the possible implications of this legislation on your investment in the ordinary shares or ADSs.

Prospective purchasers should consult their own tax advisors regarding the application of the U.S. federal income tax laws to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of ordinary shares or ADSs, including the applicability and effect of the tax laws of any state, local or foreign jurisdiction, including estate, gift, and inheritance laws.

UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, the underwriters named below, through Deutsche Bank Securities Inc. and Goldman Sachs (Asia) L.L.C., as representatives of the underwriters, have severally and not jointly agreed to purchase from us and the selling shareholders the following respective number of ADSs at a public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus:

Underwriters	Number of ADSs
Deutsche Bank Securities Inc.	
Goldman Sachs (Asia) L.L.C.	
Total	2,933,238

The underwriting agreement provides that the obligations of the several underwriters to purchase the ADSs offered hereby are subject to certain conditions precedent and that the underwriters will purchase all of the ADSs offered by this prospectus, other than those covered by the over-allotment option described below, if any of these ADSs are purchased. If an underwriter defaults, the underwriting agreement provides that the underwriting commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated, depending on the circumstances.

We have been advised by the representatives of the underwriters that the underwriters propose to offer the ADSs to the public at the public offering price set forth on the cover of this prospectus and to dealers at a price that represents a concession not in excess of its underwriting commitment of US$ per ADS under the public offering price. The underwriters may allow, and these dealers may re-allow, a concession of not more than US$ per ADS to other dealers. After the initial public offering, the offering price, concession or any other terms of the offering may be changed. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Telstra International, one of the selling shareholders, has granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase up to 439,986 additional ADSs at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus. The underwriters may exercise this option only to cover over-allotments, if any, made in connection with the sale of ADSs offered by this prospectus. To the extent that the underwriters exercise this option, each of the underwriters will severally become obligated, subject to the conditions set forth in the underwriting agreement, to purchase approximately the same percentage of these additional ADSs as the number of ADSs to be purchased by it in the above table bears to the total number of ADSs in such table. The selling shareholders will be obligated, pursuant to the option, to sell these additional ADSs to the underwriters to the extent the option is exercised. If any additional ADSs are purchased, the underwriters will offer the additional ADSs on the same terms as those on which the 2,933,238 ADSs are being offered.

The underwriting discounts and commissions per ADS are equal to the public offering price per ADS less the amount paid by the underwriters to us and the selling shareholders per ADS. The underwriting discounts and commissions are % of the initial public offering price. We and the selling shareholders have agreed to pay the underwriters the following discounts and commissions, assuming either no exercise or full exercise by the underwriters of the underwriters' over-allotment option:

		Total fees	
	Fee per ADS	Without exercise of over-allotment option	With full exercise of over-allotment option
Discounts and commissions paid by us	US$	US$	US$
Discounts and commissions paid by the selling shareholders	US$	US$	US$

We will pay the fees and expenses we incur in connection with this offering, except for roadshow expense for which Telstra International has agreed to pay up to US$500,000.

We and the selling shareholders have agreed to indemnify the underwriters against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of any of these liabilities if indemnification is not available.

Each of our officers and directors, and all of our existing shareholders General Atlantic, Apax and a substantial majority of holders of options to purchase our shares, have agreed not to, directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of, or enter into any swap or other transaction that is designed to, or could be expected to, result in the disposition of any of our ADSs or ordinary shares or other securities convertible into or exchangeable or exercisable for our ADSs or ordinary shares or derivatives of our ADSs or ordinary shares (whether any such swap or transaction is to be settled by delivery of securities, in cash, or otherwise), owned by these persons prior to this offering or ADSs or ordinary shares issuable upon exercise of options or warrants held by these persons for a period of 180 days after the date of this prospectus without the prior written consent of the representatives. This consent may be given at any time without public notice. Transfers or dispositions can be made during the lock-up period in the case of gifts or for estate planning purposes where the donee signs a lock-up agreement. We have entered into a similar agreement with the representatives of the underwriters except that without such consent we may grant options and sell shares pursuant to our share incentive plan.

The 180-day lock-up periods as described above are subject to adjustment only under the following circumstances. If (1) during the last 17 days of the 180-day lock-up period, (a) we release earnings results or (b) material news or a material event relating to us occurs, or (2) prior to the expiration of the 180-day lock-up period, we announce that we will release earnings results during the 16-day period following the last day of the 180-day lock-up period, then, in each case, the 180-day lock-up period will be extended until the expiration of the 18-day period beginning on the date of our release of the earnings results or the occurrence of material news or a material event relating to us, unless the representatives, on behalf of the underwriters, waive this extension in writing.

In addition, through a letter agreement, we have agreed to instruct JPMorgan Chase Bank, N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we consent to such deposit or issuance, and not to provide consent without the prior written consent of the representatives of the

underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares.

We have received approval to list our ADSs on the New York Stock Exchange under the symbol “SFUN.”

The underwriters do not expect sales to discretionary accounts to exceed 5% of the total number of ADSs offered.

In connection with the offering, the underwriters may purchase and sell our ADSs in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters’ over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered 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.

Naked short sales are any sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of our ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representatives of the underwriters have repurchased ADSs sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our ADSs. In addition, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our ADSs. As a result, the price of our ADSs may be higher than the price that might otherwise exist in the open market. Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our ADSs. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise. Neither we nor any underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

A prospectus in electronic format is being made available on Internet websites maintained by one or more of the lead underwriters of this offering and may be made available on websites maintained by other underwriters. Other than the prospectus in electronic format, the information on any underwriter’s website and any information contained in any other website maintained by an underwriter is not part of this prospectus or the registration statement of which this prospectus forms a part.

Prior to this offering, there has been no public market for our ADSs. Consequently, the initial public offering price of our ADSs will be determined by negotiation among us and the

representatives of the underwriters. Among the primary factors that will be considered in determining the public offering price are:

1. prevailing market conditions;

2. our financial condition and results of operations in recent periods;

3. the present stage of our development;

4. the market capitalizations and stages of development of other companies that we and the representatives of the underwriters believe to be comparable to our business; and

5. the history of, and the prospects for, our Company and the industry in which we compete.

Deutsche Bank Securities Inc.'s address is 60 Wall Street, New York, New York 10005, United States. Goldman Sachs (Asia) L.L.C.'s address is 68th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Some of the underwriters are expected to make offers and sales both in 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. Goldman Sachs (Asia) L.L.C. is expected to make offers and sales in the United States through its selling agent, Goldman, Sachs & Co.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the issuer and the selling shareholders, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the issuer and the selling shareholders.

Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. are severally acting as placement agents in connection with the Telstra Private Placement, which is being conducted pursuant to transactions exempt from registration under the Securities Act. See "Certain Relationships and Related Party Transactions—Telstra Private Placement." In consideration for their role as placement agents, Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. will receive a fee from Telstra International equal to 7% of the proceeds from up to 8,235,618 of the Class A ordinary shares to be sold to General Atlantic, Apax, Next Decade and Digital Link at a price per share equal to the initial public offering price (as adjusted for the share-to-ADS ratio).

Lazard Frères & Co. LLC is providing financial advisory services to Telstra International in connection with this offering, including, but not limited to, assistance in analyzing our business and financial condition. Upon the completion of this offering Lazard Frères & Co. LLC will receive a fee from Telstra International for providing these services. Lazard Frères & Co. LLC is not acting as an underwriter in connection with this offering.

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be

offered or sold, directly or indirectly, and neither the 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 under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

Hong Kong

The ADSs may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which 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), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

People's Republic of China

This prospectus has not been and will not be circulated or distributed in the PRC, and ADSs may not be offered or sold, and will not be offered or sold 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.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and ADSs will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to any exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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 our ADSs may not be circulated or distributed, nor may our 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 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, in each case subject to compliance with conditions set forth in the SFA.

Where our ADSs are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) 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 (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 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 S$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; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

a. you confirm and warrant that you are either:

i. a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

ii. a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

iii. a person associated with the company under section 708(12) of the Corporations Act; or

iv. "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act,

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance.

b. you warrant and agree that you will not offer any of the ADSs issued to you pursuant to this document for resale in Australia within 12 months of those ADSs being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, once the prospectus has been approved by the competent authority in such Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which 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;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any shares 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 any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of

the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Investors in Switzerland

This document, as well as any other offering or marketing material relating to the ADSs which are the subject of the offering contemplated by this prospectus, neither constitutes a prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations nor a simplified prospectus as such term is understood pursuant to article 5 of the Swiss Federal Act on Collective Investment Schemes. Neither the ADSs nor the shares underlying the ADSs will be listed on the SIX Swiss Exchange and, therefore, the documents relating to the ADSs, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

The ADSs are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the ADSs with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the ADSs, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the ADSs in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Notice to Investors in the Dubai International Financial Centre

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to Persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial adviser.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering or private placement of the ADSs in the Kingdom of Saudi Arabia, or possession or distribution of any offering materials in relation thereto. Our ADSs may only be offered and sold in the Kingdom of Saudi Arabia through persons authorized to do so in accordance of Part 5 (Exempt Offers) of the Offers of Securities Regulations dated 20/8/1425 AH corresponding to 4/10/2004 (as amended), or the Regulations, and in accordance with Part 5 (Exempt Offers) Article 16(a)(3) of the Regulations, the ADSs will be offered to no more than 60 offerees in the Kingdom of Saudi Arabia with each such offeree paying an amount not less than Saudi Riyals one million or an equivalent amount in another currency. Investors are informed that Article 19 of the Regulations places restrictions on secondary market activity with respect to our ADSs. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions shall not be recognized by us. Prospective purchasers of our ADSs should conduct their own due diligence on the accuracy of the information relation to the ADSs. Investors should consult an authorized financial adviser if they do not understand the contents of this prospectus.

State of Kuwait

Our ADSs have not been authorized or licensed for offering, marketing or sale in the State of Kuwait, or Kuwait. The distribution of this prospectus and the offering, marketing and sale of the ADSs in Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law No. 31 of 1990, and the various Ministerial Regulations issued pursuant thereto. Persons into whose possession this prospectus comes are required by us and the underwriters to inform themselves about and to observe such restrictions. Investors in Kuwait who approach us or any of the underwriters to obtain copies of this prospectus are required by us and the underwriters to keep such prospectus confidential and not to make copies thereof nor distribute the same to any other person in Kuwait and are also required to observe the restrictions provided for in all jurisdictions with respect to offering, marketing and the sale of the ADSs.

United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The ADSs have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the ADSs and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the ADSs may not be offered or sold directly or indirectly to the public in the UAE.

EXPENSES RELATING TO THIS OFFERING

The following table sets forth the main estimated expenses required to be paid in connection with this offering, other than the underwriting discounts and commissions:

SEC registration fee	US$	10,222
FINRA filing fee		10,454
New York Stock Exchange listing fee		125,000
Legal fees and expenses (other than the selling shareholders)		1,248,785
Accounting fees and expenses		851,765
Printing fees		400,000
Other fees and expenses		506,547
Total	US$	3,157,714*

* Of which US$1.9 million has already been expensed by us in the first two quarters of 2010.

All amounts are estimates, except the SEC registration fee, the New York Stock Exchange listing fee and the FINRA filing fee. We will pay the fees and expenses we incur in connection with this offering, except for roadshow expenses for which Telstra has agreed to pay up to US$500,000.

LEGAL MATTERS

The validity of the ADSs and certain other legal matters with respect to U.S. federal and New York state law will be passed upon for us by Sidley Austin LLP. Certain legal matters with respect to U.S. federal and New York state law in connection with this offering will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP. Telstra Corporation is being represented by Sullivan & Cromwell LLP with respect to matters of U.S. federal and New York state law. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Conyers Dill & Pearman, our counsel as to Cayman Islands law. Legal matters as to PRC law will be passed upon for us by King & Wood and for the underwriters by Fangda Partners. Simpson Thacher & Bartlett LLP may rely upon Fangda Partners with respect to matters governed by PRC law.

EXPERTS

Our consolidated financial statements as of December 31, 2008 and 2009 and for each of the three years in the period ended December 31, 2009 appearing in this prospectus and registration statement, of which this prospectus forms a part, have been audited by Ernst & Young Hua Ming, independent registered public accounting firm, as set forth in their report thereon, appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The offices of Ernst & Young Hua Ming are located at 21st Floor, China Resources Building, No. 5001 Shennan Dong Road, Shenzhen 518001, China.

We have sourced various Internet and online marketing industry data used in this prospectus from CR-Nielsen, an independent market research and consulting firm, and DCCI, an independent market research institution, both of which were commissioned by us, and such data are included in this prospectus in reliance upon the authority of such firms as expects in such matters. The offices of CR-Nielsen are located at 11th Floor, Tower 1, Xindongan Plaza, 138 Wangfujing Avenue, Beijing 100006, China. The offices of DCCI are located at Room 501, Building 16, Jianwai SOHO, No. 39, Dongsanhuanzhong Road, Chaoyang District, Beijing 100020, China.

The statements included in this prospectus under the captions “Risk Factors—Risks Relating to Our Business,” “—Risks Relating to Our Corporate Structure,” “—Risks Relating to China,” “Our History and Corporate Structure,” “Enforceability of Civil Liabilities,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry Overview,” “Business,” “Regulation” and “Taxation,” to the extent they constitute matters of PRC law, have been reviewed and confirmed by King & Wood, our PRC legal counsel, as experts in such matters, and are included in this prospectus in reliance upon such review and confirmation. The offices of King & Wood are located at 40th Floor, Office Tower A, Beijing Fortune Plaza, 7 Dongsanhuan Zhonglu, Chaoyang District, Beijing 100020, China.

The statements with respect to operating and financial review and prospects and notes to our audited consolidated financial statements incorporated in this prospectus and the registration statement, of which this prospectus forms a part, to the extent they relate to the determination of fair value of our ordinary shares and stock options as described therein, have been reviewed and confirmed by Jones Lang LaSalle Sallmanns, an independent valuation firm, as experts in such matters, and are so included in this prospectus in reliance upon such review and confirmation. The offices of Jones Lang LaSalle Sallmanns are located at 17th Floor, Dorset House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The statements relating to the reports on our internal control over financial reporting under captions “Risk Factors—Risks Relating to Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus and the registration statement, of which this prospectus forms a part, have been reviewed and confirmed by Shenzhen Union Strength Business Consulting Co., Ltd., an independent initial public offering advisory and risk management consulting firm, as experts in such matters, and are so included in this prospectus in reliance upon such review and confirmation. The offices of Shenzhen Union Strength Business Consulting Co., Ltd. are located at Rooms 1012-1013, Shun Hing Square, Diwang Commercial Center, 5002 Shennan Road East, Shenzhen, Guangdong Province 518008, China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1 (Registration No. 333-), including relevant exhibits and securities under the Securities Act with respect to underlying ordinary shares represented by the ADSs, to be sold in this offering. We have also filed with the SEC a related registration statement on Form F-6 (Registration No. 333-) to register the ADSs. This prospectus, which constitutes a part of the registration statement, 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. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Since the prospectus may not contain all the information that you may find important, you should review the full text of these documents.

Immediately upon completion of this offering, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. All information filed with the SEC is available through the SEC's Electronic Data Gathering, Analysis and Retrieval system, which may be accessed through the SEC's website at *www.sec.gov.* Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders, and Section 16 short swing profit reporting for our officers and directors and for holders of more than 10.0% of our ordinary shares. While the annual report on Form 20-F for our fiscal year ending December 31, 2010 will be due six months following the end of such fiscal year, for our fiscal years ending December 31, 2011 and onward, we will be required to file our Form 20-F annual report within 120 days after the end of each such fiscal year. All information filed with the SEC can be 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 these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. You may also obtain additional information over the Internet at the SEC's website at *www.sec.gov*.

SOUFUN HOLDINGS LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
SouFun Holdings Limited:

We have audited the accompanying consolidated balance sheets of SouFun Holdings Limited (the "Company") and its subsidiaries as of December 31, 2008 and 2009, and the related consolidated statements of operations, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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. We were not engaged to perform an audit of the Company's 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 Company'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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SouFun Holdings Limited and its subsidiaries at December 31, 2008 and 2009 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young Hua Ming
Shenzhen, the People's Republic of China
April 22, 2010

SOUFUN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of United States dollar ("US$")
except for number of shares)

	Notes	As at December 31, 2008 US$	As at December 31, 2009 US$
ASSETS			
Current assets:			
Cash and cash equivalents		63,022	92,239
Short-term investments	4	24,873	28,558
Accounts receivable (net of allowance of US$3,330 and US$4,432 for 2008 and 2009, respectively)	5	11,350	13,985
Prepayment and other current assets	6	1,400	1,952
Amounts due from related parties	15	786	7,629
Deferred tax assets, current	13	1,430	471
Inventories		—	4,390
Total current assets		102,861	149,224
Non-current assets:			
Property and equipment, net	7	3,841	4,220
Deferred tax assets, non current	13	—	507
Other non-current assets		544	543
Total Non-current assets		4,385	5,270
Total assets		107,246	154,494

The accompanying notes are an integral part of the consolidated financial statements.

SOUFUN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS—(Continued)
(Amounts in thousands of United States dollar ("US$")
except for number of shares)

	Notes	As at December 31, 2008 US$	As at December 31, 2009 US$
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Deferred revenue	8	15,953	28,795
Accrued expenses and other liabilities	9	29,399	37,342
Dividend payable	10	24,200	43,906
Share based compensation liability	14	9,887	11,129
Income tax payable	13	428	3,134
Total current liabilities		79,867	124,306
Deferred tax liability, non-current	13	13,991	5,687
Total liabilities		93,858	129,993
Commitments and contingencies	17		
Shareholders' equity:			
Ordinary shares (par value of Hong Kong Dollar (HK$) 1 per share at December 31, 2008 and 2009, respectively; Authorized—600,000,000 shares at December 31, 2008 and 2009 respectively; Issued and outstanding—74,020,217 and 73,932,217 shares at December 31, 2008 and 2009, respectively)	11	9,501	9,489
Additional paid-in capital		35,707	9,279
Accumulated other comprehensive income		5,582	5,670
Accumulated deficits		(37,507)	—
Total SouFun Holdings Limited's equity		13,283	24,438
Noncontrolling interests		105	63
Total shareholders' equity		13,388	24,501
Total liabilities and shareholders' equity		107,246	154,494

The accompanying notes are an integral part of the consolidated financial statements.

SOUFUN HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of United States dollar ("US$")
except for number of shares and per share data)

	Notes	For the Year Ended December 31, 2007 US$	2008 US$	2009 US$
Revenues				
Marketing services		46,552	86,252	102,367
Listing services		9,885	16,070	17,559
Other value-added services and products		1,439	1,802	7,123
Total revenues		57,876	104,124	127,049
Cost of revenues				
Cost of services		(12,630)	(22,162)	(26,484)
Cost of other value-added services and products		—	—	(4,863)
Total cost of revenues		(12,630)	(22,162)	(31,347)
Gross profit		45,246	81,962	95,702
Operating expenses:				
Selling expenses		(13,221)	(18,708)	(25,186)
General and administrative expenses		(12,158)	(19,857)	(22,176)
Operating income		19,867	43,397	48,340
Foreign exchange gain (loss)		8	(2,826)	(59)
Interest income (Including related party amount of nil, nil and US$85 for the years ended December 31, 2007, 2008 and 2009, respectively)	15	707	1,221	1,205
Realized gain—trading securities	4	—	—	195
Government grants		211	360	730
Income before income tax		20,793	42,152	50,411
Income tax (expense) benefit	13	(8,457)	(18,805)	2,199
Net income		12,336	23,347	52,610
Net income (loss) attributable to noncontrolling interests		125	(34)	(42)
Net income attributable to SouFun Holdings Limited shareholders		12,211	23,381	52,652
Earnings per share				
Basic	19	0.16	0.32	0.71
Diluted	19	0.16	0.30	0.68
Weighted average number of ordinary shares outstanding:				
Basic	19	74,020,217	74,020,217	73,986,129
Diluted	19	76,997,410	77,092,197	77,418,960

The accompanying notes are an integral part of the consolidated financial statements.

SOUFUN HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of United States dollar ("US$")

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	12,336	23,347	52,610
Adjustments to reconcile net income to net cash generated from operating activities:			
Share-based compensation	2,217	2,717	4,140
Depreciation of property and equipment	410	1,051	1,213
Deferred tax expense (benefit)	5,589	5,550	(7,860)
Allowance for doubtful accounts	1,152	3,220	4,430
Unrealized foreign exchange loss	—	2,824	41
Changes in operating assets and liabilities:			
Increase in accounts receivable	(2,855)	(9,345)	(7,053)
Increase in prepayments and other current assets	(411)	(243)	(551)
Increase in other non-current assets	(566)	(15)	(52)
Increase in accrued expenses and other liabilities	4,598	14,864	7,912
Increase in deferred revenue	8,151	132	12,821
Change in inventories	—	—	(4,390)
(Decrease) increase in income tax payable	(128)	466	2,705
Net cash generated from operating activities	30,493	44,568	65,966
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for short-term investments	(23,158)	(24,047)	(35,864)
Proceeds received from maturity of short-term investments	17,203	23,339	32,204
Acquisition of property and equipment	(1,651)	(1,967)	(1,642)
Proceeds from disposal of property and equipment	—	—	107
Change in amount due from related parties	10	77	(6,839)
Net cash used in investing activities	(7,596)	(2,598)	(12,034)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares and vested options	—	—	(548)
Payment of dividends	(2,647)	(16,210)	(24,241)
Net cash used in financing activities	(2,647)	(16,210)	(24,789)
Exchange rate effect on cash and cash equivalents	1,524	3,194	74
Net increase in cash and cash equivalents	21,774	28,954	29,217
Cash and cash equivalents at beginning of year	12,294	34,068	63,022
Cash and cash equivalents at end of year	34,068	63,022	92,239
Supplemental schedule of cash flow information:			
Income tax paid	131	307	1,657
Acquisition of property and equipment through utilization of deposits	—	96	52
Non-monetary exchange of services for prepaid cards	—	—	9,252

The accompanying notes are an integral part of the consolidated financial statements.

SOUFUN HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Amounts in thousands of United States Dollar ("US$")
except for number of shares)

	Total SouFun Holdings Limited's Equity						
	Number of Ordinary Shares	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficits	Noncontrolling Interests	Total Equity
Balance as of January 1, 2007	74,020,217	9,501	73,531	459	(73,099)	14	10,406
Comprehensive income							
Net income for the year	—	—	—	—	12,211	—	12,211
Foreign currency translation adjustments	—	—	—	1,764	—	—	1,764
Total comprehensive income							13,975
Share-based compensation	—	—	1,274	—	—	—	1,274
Dividend declared		—	(41,070)	—	—	—	(41,070)
Noncontrolling interests	—	—	—	—	—	125	125
Balance as of December 31, 2007	74,020,217	9,501	33,735	2,223	(60,888)	139	(15,290)
Comprehensive income							
Net income for the year	—	—	—	—	23,381	—	23,381
Foreign currency translation adjustments	—	—	—	3,359	—	—	3,359
Total comprehensive income							26,740
Share-based compensation	—	—	1,972	—	—	—	1,972
Noncontrolling interests	—	—	—	—	—	(34)	(34)
Balance as of December 31, 2008	74,020,217	9,501	35,707	5,582	(37,507)	105	13,388
Comprehensive income							
Net income for the year	—	—	—	—	52,652	—	52,652
Foreign currency translation adjustments	—	—	—	88	—	—	88
Total comprehensive income							52,740
Share-based compensation	—	—	2,898	—	—	—	2,898
Repurchase of ordinary shares	(88,000)	(12)	—	—	(429)	—	(441)
Repurchase of vested options	—	—	(107)	—	—	—	(107)
Dividend declared	—	—	(29,219)	—	(14,716)	—	(43,935)
Noncontrolling interests	—	—	—	—	—	(42)	(42)
Balance as of December 31, 2009	73,932,217	9,489	9,279	5,670	—	63	24,501

The accompanying notes are an integral part of the consolidated financial statements.

SOUFUN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION

The Company was incorporated on June 18, 1999 as SouFun.com Limited under the laws of the BVI. In June 2004, the Company changed its name to SouFun Holdings Limited and its corporate domicile to the Cayman Islands and became a Cayman Islands company with limited liability under the Companies Law. The accompanying consolidated financial statements include the financial statements of SouFun Holdings Limited (the "Company"), its subsidiaries and entities controlled through contractual arrangements (the "PRC Domestic Entities"), The Company, its subsidiaries and PRC Domestic Entities are collectively referred to as the Group.

The Group is principally engaged in the provision of marketing services, listing services and other value-added products to the real estate and home furnishing industries in the People's Republic of China (the "PRC"). Details of the Company's subsidiaries and PRC Domestic Entities as of December 31, 2009 are as follows:

Company	Date of Establishment	Place of Establishment	Percentage of Ownership by the Company	Principal Activities
Selovo Investments Limited ("Selovo")	August 10, 2007	British Virgin Islands ("BVI")	100%	Investment holding
Pendiary Investments Limited ("Pendiary")	August 16, 2007	BVI	100%	Investment holding
Max Impact Investments Limited ("Max Impact")	October 26, 2007	Hong Kong	100%	Investment holding
Bravo Work Investments limited ("Bravo Work")	October 29, 2007	Hong Kong	100%	Investment holding
China Index Academy Limited ("China Index")	August 7, 2000	Hong Kong	100%	Investment holding
Beijing SouFun Information Consultancy Co., Ltd. ("Beijing Information")	August 5, 1999	PRC	90%	Provision of technology and information services
Shanghai SouFun Information Co., Ltd ("SouFun Shanghai")	May 31, 2000	PRC	100%	Provision of technology and information consultancy services
SouFun Information (Shenzhen) Co., Ltd ("SouFun Shenzhen")	June 23, 2000	PRC	100%	Provision of technology and information consultancy services
SouFun Information (Tianjin) Co Ltd ("SouFun Tianjin")	March 2, 2001	PRC	100%	Provision of technology and information consultancy services

SOUFUN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

Company	Date of Establishment	Place of Establishment	Percentage of Ownership by the Company	Principal Activities
SouFun Media Technology (Beijing) Co., Ltd. ("SouFun Media")	November 28, 2002	PRC	100%	Provision of technology and information services
SouFun.Information (Guangzhou) Co. Ltd, ("SouFun Guangzhou")	November 28, 2002	PRC	100%	Provision of technology and information consultancy services
Beijing SouFun Network Technology Co., Ltd. ("SouFun Network")	March 16, 2006	PRC	100%	Provision of technology and information services
Zhongzhishizheng Data Technology (Beijing) Co., Ltd. ("Beijing Zhongzhi")	June 5, 2007	PRC	100%	Provision of technology and information services
Beijing Jia Tian Xia Advertising Co., Ltd. ("Beijing Advertising")	September 1, 2000	PRC	Nil	Provision of marketing services and listing services
Beijing SouFun Internet Information Service Co., Ltd. ("Beijing Internet")	December 17, 2003	PRC	Nil	Provision of marketing services and listing services
Beijing China Index Information Co., Ltd. ("Beijing China Index")	November 8, 2004	PRC	Nil	Provision of other value-added services and products
Shanghai Jia Biao Tang Advertising Co., Ltd. ("Shanghai JBT Advertising")	July 7, 2005	PRC	Nil	Provision of marketing services and listing services
Beijing SouFun Science and Technology Development Co., Ltd. ("Beijing Technology")	March 14, 2006	PRC	Nil	Provision of marketing services and listing services

SOUFUN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

Company	Date of Establishment	Place of Establishment	Percentage of Ownership by the Company	Principal Activities
Shanghai China Index Consultancy Co., Ltd. ("Shanghai China Index")	December 12, 2006	PRC	Nil	Provision of other value-added services and products
Shanghai SouFun Advertising Co., Ltd. ("Shanghai Advertising")	December 12, 2006	PRC	Nil	Provision of marketing services and listing services
Beijing Century Jia Tian Xia Technology Development Co., Ltd. ("Beijing JTX Technology")	December 21, 2006	PRC	Nil	Provision of marketing services and listing services
Tianjin Jia Tian Xia Advertising Co., Ltd. ("Tianjin JTX Advertising")	November 22, 2007	PRC	Nil	Provision of marketing services and listing services
Tianjin Xin Rui Jia Tian Xia Advertising Co., Ltd. ("Tianjin Xin Rui")	September 1, 2009	PRC	Nil	Provision of marketing services and listing services
Beijing Li Tian Rong Ze Science &Technology Development Co. Ltd. ("Beijing Li Tian Rong Ze")	September 10, 2009	PRC	Nil	Provision of marketing services and listing services

To comply with PRC laws and regulations which restrict foreign control of companies involved in internet content provision ("ICP") and advertising businesses, the Group operates its websites and provides online marketing services in the PRC through its PRC Domestic Entities. The equity interests of the PRC Domestic Entities are legally held directly by Tianquan Vincent Mo, Executive Chairman of the Company, and Jiangong Dai, president and CEO of the Company. Jiangong Dai held the shares in Beijing Advertising and Beijing Information on behalf of Tianquan Vincent Mo from September 2000 to June 2004. The effective control of the PRC Domestic Entities is held by the Company through a series of contractual arrangements, (the "Structure Contracts"). As a result of the Structure Contracts, the Company maintains the ability to approve decisions made by the PRC Domestic Entities, is entitled to substantially all of the economic benefits from the PRC Domestic Entities and is obligated to absorb all of the PRC Domestic Entities' expected losses. Therefore, the Company consolidates the PRC Domestic Entities in accordance with SEC Regulation S-X-3A-02 and Accounting Standards Codification ("ASC") 810-10 "Consolidation: Overall" (Pre-codification: Accounting Research Bulletin No. 51, "Consolidated Financial Statements", and its related interpretations, Statement of Financial Accounting Standards ("SFAS") No. 94, "Consolidation of All Majority—Owned

Subsidiaries, an amendment of ARB No. 51, with related amendments of APB Opinion No. 18 and ARB 43, Chapter 12", and FASB Interpretation No. 46 (Revised), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51").

The following is a summary of the Structure Contracts:

Exclusive Technical Consultancy and Service Agreements, and Operating Agreements

The Company, through its subsidiaries (the "WOFEs"), provide the following exclusive technical services to the PRC Domestic Entities: i) access to information assembled by the WOFEs concerning the real estate industry and companies in this sector to enable the PRC Domestic Entities to target potential customers and provide research services; and ii) technical IT system support to enable the PRC Domestic Entities to service the advertising and listing needs of its customers.

Equity Pledge Agreement, Shareholders Proxy Agreement, and Exclusive Call Option Agreement

The legal shareholders have pledged their entire respective ownership interests in each PRC Domestic Entity to the WOFEs. The legal shareholders entrusted the WOFEs their rights to attend shareholders' meetings and cast votes. The agreement will continue unless terminated upon written consents by the WOFEs or their designated legal persons.

The Company has the exclusive right to acquire from the legal shareholders their entire respective equity interests in each of the PRC Domestic Entities at a price equivalent to the historical cost when permitted by applicable PRC laws and regulations. The agreement has a term of ten years and may be extended indefinitely under the sole discretion by the WOFEs.

Each PRC Domestic Entity and its legal shareholders have also agreed not to enter into any transaction that would substantially affect the assets, rights, obligations or operations of the PRC Domestic Entity without prior written consent from the WOFEs. The PRC Domestic Entities will not distribute any dividend without the prior written consent from the WOFEs. In addition, the PRC Domestic Entities will appoint or remove their directors and executive officers upon instruction from WOFEs. The WOFEs possess the rights to control the daily operation and to make management decisions for the PRC Domestic Entities through the operating agreement.

Loan Agreements

The WOFEs provided loans to the legal shareholders to enable them to pay the registered capital of the PRC Domestic Entities. Under the terms of the loan agreements, the legal shareholders will repay the loans by transferring their legal ownership in the PRC Domestic Entities when permitted by applicable PRC laws and regulations.

Supplementary Agreements

In addition to the above Structure Contracts, on March 25, 2010, WOFEs and the PRC Domestic Entities entered into supplementary agreements whereby:

- the WOFEs have unilateral discretion in setting the technical service fees charged to the PRC Domestic Entities;
- the WOFEs are obligated to provide financial support to the PRC Domestic Entities in the event the PRC Domestic Entities incur losses;
- the annual budget of the PRC Domestic Entities should be assessed and approved by the WOFEs;
- the legal shareholders agree to remit any dividends, received from the PRC Domestic Entities, to the WOFEs; and
- the PRC Domestic Entities are obligated to transfer their entire retained earnings after deduction of PRC income tax to the WOFEs upon the WOFEs' request.

With the above agreements, the Company demonstrates its ability to control the PRC Domestic Entities, through the Company's right to all the residual benefits of the PRC Domestic Entities and the Company's obligation to fund losses of the PRC Domestic Entities. Thus the results of the PRC Domestic Entities are consolidated in the Company's financial statements. Business taxes relating to service fees charged by the WOFEs are recorded as cost of services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and use of estimates

The accompanying consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Group's financial statements include, but are not limited to, revenue recognition, allowance for doubtful accounts, useful lives of property and equipment, realization of deferred tax assets, share-based compensation expense and uncertain income tax positions. Actual results could materially differ from those estimates.

Principles of Consolidation

The consolidated financial statements of the Group include the financial statements of the Company, its subsidiaries and PRC Domestic Entities in which it has a controlling financial interest. A controlling financial interest is typically determined when the Company holds a majority of the voting equity interest in an entity. However, if the Company demonstrates its ability to control the PRC Domestic Entities through the Company's rights to all the residual benefits of the PRC Domestic Entities and the Company's obligation to fund losses of the PRC Domestic Entities then the entity is included in the consolidated financial statements. All significant intercompany balances and transactions between the Company, its subsidiaries and PRC Domestic Entities have been eliminated in consolidation.

Minority interests have been presented as noncontrolling interests in accordance with ASC 810-10, "Consolidation: Overall" (Pre-codification: SFAS 160 "Noncontrolling Interests in Consolidated Financial Statements").

Foreign Currency Translation and Transactions

The functional currency of the Company and its overseas subsidiaries, including Selovo, Pendiary, Max Impact, Bravo Work and China Index , is the United States dollar ("US$"). The Company's PRC subsidiaries and PRC Domestic Entities determine their functional currency to be the Chinese Renminbi ("RMB") based on the criteria of ASC 830-10, "Foreign Currency Matters: Overall" (Pre-Codification: FAS 52, "Foreign Currency Translation"). The Company uses the United State Dollar as its reporting currency. The Company uses the monthly average exchange rate for the year and the exchange rate at the balance sheet date to translate the operating results and financial position, respectively. Translation differences are recorded in accumulated other comprehensive income, a component of shareholders' equity.

Transactions denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are remeasured at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are included in the consolidated statements of operations.

Cash, cash equivalents and short-term investments

Cash and cash equivalents represent cash on hand, demand deposits placed with banks or other financial institutions. All highly liquid investments with original stated maturity of 90 days or less are classified as cash equivalents. All highly liquid investments with original stated maturities of greater than 90 days but less than 365 days are classified as short-term investments which approximate their fair value.

The Company accounts for its investments in accordance with ASC 320-10, "Investments-Debt and Equity Securities: Overall" (Pre-Codification: SFAS 115 "Accounting for Certain Investments in Debt and Equity Securities"). According to ASC 320, the investments in debt securities are accounted for as "held-to-maturity", "trading" or "available-for-sale". Investments that are bought and held principally for the purpose of selling them in the near term are as accounted for as trading securities recorded at fair value with any change recognized in the consolidated statements of operations.

Debt securities that the Company has positive intent and ability to hold to maturity are classified as held-to-maturity securities and are stated at amortized cost. For individual securities classified as held-to-maturity securities, the Company evaluates whether a decline in fair value below the amortized cost basis is other than temporary in accordance to ASC 320-10-35 Investments—Debt and Equity Securities: Overall—Subsequent Measurement (Pre-codification "FASB Staff Position ("FSP") No. FAS 115-1/124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"). If the decline in fair value is judged to be other than temporary, the cost basis of the individual security would be written down to its fair value as a charge to the consolidated statements of operations. No impairment loss was recognized on the held-to-maturity securities for any of years presented.

Accounts receivable and allowance for doubtful accounts

The Group considers many factors in assessing the collectability of its receivables due from its customers, such as, the age of the amounts due, the customer's payment history and credit-worthiness. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted.

Property and Equipment, net

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

Category	Estimated Useful Life	Estimated Residual Value
Office equipment	5 years	5-10%
Motor vehicles	5 years	5%
Leasehold improvement	shorter of lease term or 5 years	—

Repair and maintenance costs are charged to expense as incurred, whereas the cost of renewals and betterments that extend the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any resulting gain or loss reflected in the consolidated statements of operations.

Impairment of Long-Lived Assets

The Group evaluates its long-lived assets or asset group with finite lives for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of a group of long-lived assets may not be fully recoverable. When these events occur, the Group evaluates the impairment by comparing the carrying amount of the assets to future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Group recognizes an impairment loss based on the excess of the carrying amount of the asset group over its fair value. No impairment charge was recognized for any of the years presented.

Fair Value of Financial Instruments

Financial instruments of the Group primarily comprise of cash and cash equivalents, accounts receivables, other current assets, amounts due from related parties, and short-term investments. As of December 31, 2008 and 2009, the carrying values of these financial instruments approximated their fair values due to the short-term maturity of these instruments.

Revenue Recognition

Revenues are derived from online marketing services, listing services, tangible products and other value-added services and products. Revenue for each type of service and product

sales is recognized only when the following criteria are met: a) persuasive evidence of an arrangement exists; b) price is fixed or determinable; c) delivery of services has occurred; and d) collectability is reasonably assured.

Revenue

Marketing services

The Group offers marketing services on the Group's websites, primarily presented as banner advertisements, floating links, logos and other media insertions ("forms of services"). These services are offered to real estate developers and providers of products and services for home decoration and improvement. Marketing services allow advertisers to place advertisements on particular areas of the Group's websites, in particular formats and over particular periods of time. Written contracts, containing all significant terms, signed by the Group and its customers provide persuasive evidence of the arrangement. The contracts do not contain any specific performance, cancellation, termination or refund provisions.

The service fee is negotiated between the customer and the Group but once a price is agreed to and the written contract is signed by both parties, the price is fixed and not subject to change. The service fee is due and payable in installments over the service period. Historically, the service fee has varied widely for marketing services and such variation in prices exists even when the same forms of services is provided in the same location of our websites and for the same service duration. The marketing services typically last from several days to one year. Delivery of the service occurs upon displaying the agreed forms of services on the Group's websites over the specified service period. The Group performs credit assessments on its customers prior to signing the written contract to ensure collectability is reasonably assured. Revenue is recognized ratably over the contract period, as there is persuasive evidence of an arrangement, the fee is fixed or determinable and collection is reasonably assured, as prescribed by ASC 605-10 "Revenue Recognition: Overall" (Pre-Codification: Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 104).

For certain arrangements, the Group provides marketing services that contain multiple deliverables (i.e., different forms of services to be delivered over different periods of time). Since the Company sells its marketing services over a broad price range, there is a lack of objective and reliable evidence of fair value for each deliverable included in the arrangement. Accordingly, a combined unit of accounting is used pursuant to ASC 605-25 "Revenue Recognition—Multiple-Element Arrangements" (Pre-codification: EITF 00-21 "Revenue Arrangements with Multiple Elements") whereby revenue is recognized ratably over the performance period of the last deliverable in the arrangement.

Listing services

Listing service revenue consist of revenues derived from both basic listing services and special listing services.

The Group's basic or special listing services are provided to agents, brokers, property developers, property owners, property managers and others seeking to sell or rent new or secondary residential and commercial properties.

1) Basic listing services:

Basic listing services entitle the customers to post and make changes to information for properties, home furnishings and other related products and services in a particular area on the website for a specified period of time, which typically range from 1 to 36 months, in exchange for a fixed fee. Written contracts, containing all significant terms, signed by the Group and its customers provide persuasive evidence of the arrangement. The amount of fee to be paid is not subject to change once the contract has been signed. The contracts do not contain any specific performance, cancellation, termination or refund provisions. Delivery of services occurs by making access to the websites available for posting by the customers over the specified listing period. The Group performs credit assessments of its customers prior to signing the written contract to ensure collectability is reasonably assured. In accordance with ASC 605-25, revenue is recognized ratably over the duration of the service period as the basic listing services are being delivered.

2) Special listing services:

Special listing services are multiple element arrangements comprising of website listing services and other coordination of promotional themed events ("Offline Services"), such as physical forum discussion or a banquet gathering, each with the special listing as the theme, where our customers promote their products or services to a live audience. The Offline Services are not sold separately and are always sold with special listing services. Written contracts, containing all significant terms, signed by the Group and its customers provide persuasive evidence of the arrangement. The amount of fee to be paid is not subject to change once the contract has been signed. The contracts do not contain any specific performance, cancellation, termination or refund provisions. Delivery of services occurs by making access to the websites available for posting by the customers over the specified listing period and upon completion of the Offline Services. The Group performs credit assessments of its customers prior to signing the written contract to ensure collectability is reasonably assured.

The Group is unable to determine the fair value of the Offline Services since these services are not sold on a standalone basis. Accordingly, a combined unit of accounting is used pursuant to ASC 605-25 whereby revenue is recognized, upon delivery of the final deliverable, which is ratably over the duration of the Special listing service period. .

Other value-added services and products

Commencing in 2009, the Group provided marketing services to home decoration vendors in exchange for prepaid cards issued by the vendors. The significant terms of these transactions are stated in written contracts which are signed by the Group and the customers. The prepaid cards contain monetary values of varying denomination from RMB20 to RMB2,000 that can be used to purchase certain products from the vendors' specified stores. The prepaid cards are not redeemable for cash from the vendors. The Group sells the prepaid cards, typically at a discount to their stated monetary value, to external parties. The exchange of marketing services for prepaid cards is accounted for in accordance with ASC 845 "Nonmonetary Transactions" (Pre-codification: APB 29 "Accounting for Nonmonetary Transactions"). In accordance with ASC 845-10-30, the nonmonetary transaction is measured based on fair value of the assets (or services) involved. The fair value of the services to be provided is not determinable within a reasonable range because the service fees received have historically varied widely. The fair value of the prepaid cards is determinable by reference to the historical cash

proceeds received upon the sale of such cards to customers. The Company reassesses its fair value estimate periodically to reflect changes experienced in the selling prices of the prepaid cards. Service revenue from this exchange is measured based on the fair value of the prepaid cards received and is recognized in accordance with the revenue model stated above in "Marketing services". Revenue from sales of prepaid cards is recognized when the prepaid cards are delivered to the customers and cash is received.

The Group generates revenues from other value-added services and products including subscription services for access to the Group's information database and consulting services for customized and industry-related research reports and indices. Revenues derived from subscription services for access to the Group's information database are recognized ratably over the subscription period. Revenues derived from consulting services for customized and industry-related research reports and indices are recognized when the relevant services are completed.

The Group's business is subject to business taxes, surcharges or cultural construction fees levied on advertising-related sales in China. In accordance with ASC 605-45 Revenue Recognition—Principal Agent Considerations (Pre-codification: EITF 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement), all such business taxes, surcharges and cultural construction fees are presented as cost of revenues on the consolidated statements of operations. Business tax and related surcharges and cultural construction fees for the years ended December 31, 2007, 2008 and 2009 are approximately US$4,528, US$8,252 and US$10,870 respectively.

Cost of Revenues

Cost of revenue comprises of employee costs, business taxes and surcharges, server and bandwidth leasing fees and other direct costs incurred in providing the related services and sales of products. These costs are expensed when incurred.

Inventories

Inventories consist of prepaid cards that can be used to acquire products from the issuing vendors. Inventories are recorded at the lower of cost or market. An impairment charge is recognized to the extent the prepaid cards cannot be recovered through sale or have expired. No impairment charge was recognized for any of the years presented. The prepaid cards generally expire within one year of the acquisition date. As at December 31, 2009, the Company held 61,681 prepaid cards with face value of US$6,298 which will expire from March 2010 through December 2010.

Advertising Expenditure

Advertising costs are expensed when incurred and are included in selling expenses in the consolidated statements of operations. For the years ended December 31, 2007, 2008 and 2009, the advertising expenses were approximately US$1,306, US$944 and US$1,526, respectively.

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. A lease is a capital lease if any of the following conditions exists:
a) ownership is transferred to

the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. The Group had no capital lease for any of the years stated herein.

Income Taxes

The Group follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Group records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

On January 1, 2007, the Group adopted ASC 740-10, "Income taxes: Overall" (Pre-codification: FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109"), to account for uncertainties in income taxes. There was no cumulative effect of the adoption of ASC 740-10 to beginning retained earnings. Interest and penalties arising from underpayment of income taxes shall be computed in accordance with the related PRC tax law. The amount of interest expense is computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Interest and penalties recognized in accordance with ASC 740-10 is classified in the consolidated statements of operations as income tax expense.

In accordance with the provisions of ASC 740-10, the Group recognizes in its financial statements the impact of a tax position if a tax return position or future tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Group's estimated liability for unrecognized tax benefits which is included in the "accrued expenses and other liabilities" account is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The outcome for a particular audit cannot be determined with certainty prior to the conclusion of the audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from the Group's estimates. As each audit is concluded, adjustments, if any, are recorded in the Group's financial statements. Additionally, in future periods, changes in facts, circumstances, and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

Share-based compensation

The Group's employees and directors participate in the Company's share-based scheme which is more fully discussed in note 14. The Company applies ASC 718 "Compensation-Stock Compensation" (Pre-Codification: FAS 123(R), "Share-Based Payment") to account for its employee share-based payments. There have been no share-based payments made to non-employees for any of the years presented.

In accordance with ASC 718, the Company determines whether a share option 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 which are calculated using an option pricing model. All grants of share-based awards to employees and directors classified as liability are remeasured at the end of each reporting period with an adjustment for fair value recorded to the current period expense in order to properly reflect the cumulative expense based on the current fair value of the vested rewards over the vesting periods. The Group has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions. 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 718-10 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent period if actual forfeitures differ from initial estimates. Share-based compensation expense was recorded net of estimated forfeitures such that expense was recorded only for those share-based awards that are expected to vest.

Earnings per Share

Earnings per share are calculated in accordance with ASC 260, "Earnings Per Share" (Pre-Codification: FAS 128, "Earnings per Share"). Basic earnings per ordinary share is 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 reflect the potential dilution that could occur if securities to issue ordinary shares were exercised. The dilutive effect of outstanding share-based awards is reflected in the diluted earnings per share by application of the treasury stock method.

Comprehensive Income

Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220-10, "Comprehensive Income: Overall" (Pre-Codification: FAS 130, "Reporting Comprehensive Income") requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Group's comprehensive income includes net income and foreign currency translation adjustments and is presented in the statement of changes in shareholders' equity.

Recent Accounting Pronouncements

In October 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-13 ("ASU 2009-13"), Multiple-Deliverable Revenue Arrangements. ASU 2009-13 amends ASC sub-

topic 605-25, Revenue Recognition: Multiple-Element Arrangements, regarding revenue arrangements with multiple deliverables. These updates address how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, and how the arrangement consideration should be allocated among the separate units of accounting. These updates are effective for fiscal years beginning after June 15, 2010 and may be applied retrospectively or prospectively for new or materially modified arrangements. In addition, early adoption is permitted. By providing another alternative for determining the selling price of deliverables, the guidance for arrangements with multiple deliverables will allow companies to allocate arrangement consideration in multiple deliverable arrangements in a manner that may better reflect the transaction's economics and will often result in earlier revenue recognition. The new guidance modifies the fair value requirements of previous guidance by allowing "best estimate of selling price" in addition to vendor-specific objective evidence ("VSOE") and other third-party evidence ("TPE") for determining the selling price of a deliverable. A vendor is now required to use its best estimate of the selling price when VSOE or TPE of the selling price cannot be determined. In addition, the residual method of allocating arrangement consideration is no longer permitted under the new guidance. The Group will adopt ASU 2009-13 for its fiscal year commencing January 1, 2011. The Group is still assessing the impact of adoption of ASU 2009-13 on its consolidated financial statements.

In June 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-17 ("ASU 2009-17"), Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities, which requires an analysis to determine whether a variable interest gives the entity a controlling financial interest in a variable interest entity. In addition, ASU 2009-17 requires an ongoing reassessment and eliminates the quantitative approach previously required for determining whether an entity is the primary beneficiary. ASU 2009-17 is effective for the Company on January 1, 2010. The adoption of ASU 2009-17 is not expected to have a material impact on the Group's consolidated financial statements.

3. CONCENTRATION OF RISKS

Concentration of credit risk

Assets that potentially subject the Group to significant concentration of credit risk primarily consist of cash and accounts receivable. As of December 31, 2009, substantially all of the Group's cash was deposited in financial institutions located in the PRC and in Hong Kong, which management believes are of high credit quality. Accounts receivable are typically unsecured and are derived from revenue earned from customers in the PRC. The risk with respect to accounts receivable is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring of outstanding balances.

Concentration of customers

There are no revenues from customers which individually represent greater than 10% of the total revenue for the three years ended December 31, 2009.

Current vulnerability due to certain other concentrations

The Group's operations may be adversely affected by significant political, economic and social uncertainties in the PRC. Although the PRC government has been pursuing economic reform policies for more than 30 years, no assurance can be given that the PRC government

(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption or unforeseen circumstances affecting the PRC's political, economic and social conditions. There is also no guarantee that the PRC government's pursuit of economic reforms will be consistent or effective.

The Group transacts all of its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into United States dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts. Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Internet and advertising related businesses are subject to significant restrictions under current PRC laws and regulations. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any ICP business. In addition, PRC regulations require any foreign entities that invest in the advertising services industry to have at least a two-year track record with a principal business in the advertising industry outside of China. Currently, the Group conducts its operations in China through contractual arrangements entered between the WOFESs and PRC Domestic Entities. The relevant regulatory authorities may find the current contractual arrangements and businesses to be in violation of any existing or future PRC laws or regulations. If so, the relevant regulatory authorities would have broad discretion in dealing with such violations.

4 SHORT TERM INVESTMENTS

		December 31,	
		2008	2009
		US$	US$
Held-to-maturity securities			
—Fixed rate time deposits		8,779	21,235
—Adjustable rate investments	1)	8,779	—
Trading securities			
—Adjustable rate investments	2)	7,315	7,323
		24,873	28,558

1) As of December 31, 2008, the Group owned US$8,779 of held-to-maturity securities which mature in February 27, 2009. This investment will pay variable interest ranging from 3% to 3.1% based on a formula linked to an interest rate index (i.e., SHIBOR). As of December 31, 2008 and 2009, the fair value of held-to-maturity securities approximate to their carrying value.

(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

2) As of December 31, 2009, the Group owned US$7,323 (2008—US$7,315) of trading securities which mature in March 15, 2010 (2008—January 29, 2009). This investment will pay variable interest ranging from 1.98% to 6% (2008—3.15% to 6%) based on a formula linked to a trading range between the Euro and US$ (2008—trading range between Australian dollar and US$).

As of December 31, 2008 and 2009, the fair value of trading securities approximated their carrying value.

The following table summarizes the estimated fair value of trading securities as of December 31, 2009:

	Carrying Value US$	Gross Unrealized Gains US$	Gross Unrealized Losses US$	Fair Value US$
Trading securities				
—Adjustable rate investments	7,323	—	—	7,323

5. ACCOUNTS RECEIVABLE

	December 31,	
	2008	2009
	US$	US$
Accounts receivable	14,680	18,417
Allowance for doubtful accounts	(3,330)	(4,432)
Accounts receivable, net	11,350	13,985

	For the Years Ended December 31,	
	2008	2009
Movement in allowance for doubtful accounts:		
Balance at beginning of the year	1,192	3,330
Additional provision charged to expenses	3,220	4,430
Write-offs	(1,231)	(3,332)
Foreign currency adjustment	149	4
Balance at end of the year	3,330	4,432

(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

6. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consist of the following:

	December 31,	
	2008	2009
	US$	US$
Prepaid expenses	365	514
Advance to employees	540	355
Rental and other deposits	264	625
Interest receivables	222	334
Others	9	124
	1,400	1,952

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31,	
	2008	2009
	US$	US$
Office equipment	4,623	6,015
Motor vehicles	651	526
Leasehold improvement	957	1,185
Total	6,231	7,726
Less: Accumulated depreciation	(2,390)	(3,506)
	3,841	4,220

Depreciation expenses amounted to approximately US$1,051 and US$1,213 for the years ended December 31, 2008 and 2009, respectively.

8. DEFERRED REVENUE

All service fees and prepaid cards received in advance of the provision of services are initially recorded as deferred revenue.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31,	
	2008	2009
	US$	US$
Payroll and welfare benefit	3,951	5,487
Other taxes and surcharges payable	7,066	11,921
Accrued unrecognized tax benefits and related interests and penalties (note 13)	17,391	18,705
Others	991	1,229
	29,399	37,342

10. DIVIDEND PAYABLE

Pursuant to minutes of meetings of directors dated December 12, 2007, and February 20, 2009, the Company's board of directors declared the distribution of dividends to the shareholders in the amount of US$41,070 and US$43,935, respectively. During the year ended December 31, 2007, 2008 and 2009, the Group paid US$2,647, US$16,210 and US$24,241, respectively, to the shareholders.

11. SHAREHOLDERS' EQUITY

On August 12, 2009, the Company repurchased 88,000 ordinary shares from a shareholder at a price of US$5.01 per share. The repurchased shares were cancelled and the difference between the par value and the repurchase price of US$429 is debited to retained earnings.

At the same day, the Company also repurchased and cancelled 35,000 vested share option at a price of US$3.04 per option, which approximated to then fair value and the repurchase price of US$107 is debited to additional paid-in capital.

As of and for each of the years presented and pursuant to the Company's memorandum and articles of association, each ordinary share is entitled to one vote and dividends on a pro-rata basis, when and if declared.

12. RESTRICTED NET ASSETS

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's subsidiaries.

In accordance with the PRC Regulations on Enterprises with Foreign Investment and their articles of association, a foreign invested enterprise established in the PRC is required to provide certain statutory reserves, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A foreign invested enterprise is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. WOFEs were established as a foreign invested enterprise and therefore are subject to the above mandated restrictions on distributable profits.

Additionally, in accordance with the Company Law of the PRC, a domestic enterprise is required to provide statutory common reserve at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the board of directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The PRC Domestic Entities

were established as domestic invested enterprises and therefore is subject to the above mentioned restrictions on distributable profits.

As a result of these PRC laws and regulations that require annual appropriations of 10% of after-tax income to be set aside prior to payment of dividends as general reserve fund, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Amounts restricted include paid-in capital, statutory reserve funds and net assets of the Company's PRC subsidiaries, as determined pursuant to PRC generally accepted accounting principles, totaling approximately US$121,972 as of December 31, 2009; therefore in accordance with Rules 504 and 4.08 (e) (3) of Regulation S-X, the condensed parent company only financial statements as of December 31, 2008 and 2009 and for each of the three years in the period ended December 31, 2009 are disclosed in note 22.

13. TAXATION

Enterprise income tax:

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands, Pendiary and Selovo are not subject to tax on income or capital gains. In addition, upon payments of dividends by these companies to their shareholders, no British Virgin Islands withholding tax will be imposed.

Hong Kong

Bravo Work, Max Impact and China Index are incorporated in Hong Kong and do not conduct any substantive operations of their own.

No provision for Hong Kong profits tax has been made in the financial statements as the Company has no assessable profits for the three years ended December 31, 2009. In addition, upon payment of dividends by Bravo Work, Max Impact and China Index to their shareholder, no Hong Kong withholding tax will be imposed.

China

Prior to January 1, 2008, PRC enterprise income tax (EIT), was generally assessed at the rate of 33% of taxable income. However, as enterprises located in the Shenzhen Special Economic Zone and Shanghai Zhangjiang High Technology Park, SouFun Shenzhen and SouFun Shanghai, respectively, were entitled to preferential EIT rates of 15% in 2007.

SouFun Media and SouFun Network obtained the certificates of "new and high technology enterprise ("HNTE")" within the Zhongguancun Science Park in Beijing, and therefore were granted a preferential income tax rate of 15% and a "tax holiday" for exemption from foreign enterprise income tax for 3 years commencing in the calendar years of 2003 and 2006,

respectively, and a 50% tax reduction for the succeeding 3 years beginning from 2006 and 2009, respectively. Accordingly, SouFun Media was subject to 7.5% EIT and SouFun Network was exempt from EIT in 2007. Beijing Technology and Beijing JTX Technology have obtained certificates of HNTE within the Zhongguancun Science Park in Beijing, and therefore been granted a preferential income tax rate of 15% and a "tax holiday" for exemption from EIT for 3 years commencing in the calendar year of 2006 and 2007, respectively, and a 50% tax reduction for the succeeding 3 years commencing in 2009 and 2010, respectively. Accordingly, Beijing Technology and Beijing JTX Technology were exempt from EIT in 2007.

Shanghai Advertising and Shanghai China Index are granted a "tax holiday" for exemption from enterprise tax for the calendar year of 2007.

For the years ended December 31, 2008 and 2009, in accordance with the provisions of the PRC tax law, the local tax authority of Chongming County of Shanghai City concluded that a deemed profit method, rather than the statutory taxable income method, is a more appropriate measure of income tax liability for companies like Shanghai Advertising and Shanghai China Index. Under the deemed profit method, the local tax authority levies income tax based on an arbitrary deemed profit of 10% of total revenue. Shanghai Advertising and Shanghai China Index have filed their tax returns based on the deemed profit method.

In March 2007, a new enterprise income tax law (the "New EIT Law") in the PRC was enacted which was effective on January 1, 2008. The New EIT Law applies a uniform 25% EIT rate to both foreign invested enterprises and domestic enterprises. The new law provides a transition period from its effective date for those enterprises which were established before the promulgation date of the new tax law and which were entitled to a preferential tax treatment such as a reduced tax rate or a tax holiday. Based on the transitional rule, certain categories of enterprises, including the foreign invested enterprise located in Shenzhen Special Economic Zone and Shanghai Zhangjiang High Technology Park, which previously enjoyed a preferential tax rate of 15% are eligible for a five-year transition period during which the income tax rate will be gradually increased to the unified rate of 25%. Specifically, the applicable rates for SouFun Shenzhen and SouFun Shanghai are 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011, 2012 and thereafter, respectively.

On April 14, 2008, relevant governmental regulatory authorities released qualification criteria, application procedures and assessment processes for "HNTE" status under the New EIT law which would entitle qualified and approved entities to a favorable statutory tax rate of 15%. Up to December 31, 2008, no subsidiary of the Group obtained the certificate of HNTE under the New EIT law. The Group have accounted for their current and deferred income tax based on the enacted tax rate of 25% as applicable EIT rate for 2008.

In May and June 2009, Beijing JTX Technology, Beijing Zhongzhi, SouFun Media, SouFun Network and Beijing Technology obtained new HNTE status effective from January 1, 2009. Therefore, Beijing Zhongzhi and SouFun Media enjoy the reduced EIT rate of 15% for 2009, 2010 and 2011. Beijing Technology, SouFun Network and Beijing JTX Technology are eligible to enjoy its remaining tax holiday granted under the previous EIT Law under which Beijing Technology and SouFun Network are entitled to a three year 50% reduction of EIT rate of 15% (i.e., 7.5% for 2009, 2010 and 2011) and Beijing JTX Technology is entitled to tax exemption in 2009 and a following two year 50% reduction of EIT rate of 15% (i.e., 7.5% for 2010 and 2011). It is also expected that, after the remaining 3-year tax holiday expires in 2011, if Beijing Technology, Beijing Zhongzhi and SouFun Media, SouFun Network and Beijing JTX

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Technology may apply for renewal of the HNTE status on a three-year basis. Renewal of the HNTE status is subject to Beijing Technology, Beijing Zhongzhi and SouFun Beijing, SouFun Network and Beijing JTX Technology demonstrating qualification and obtaining approval from the relevant tax authorities.

Dividends paid by PRC subsidiaries of the Group out of the profits earned after December 31, 2007 to non-PRC tax resident investors would be subject to PRC withholding tax. The withholding tax would be 10%, unless a foreign investor's tax jurisdiction has a tax treaty with China that provides for a lower withholding tax rate.

Income (loss) before income taxes consists of:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
Non-PRC	(180)	(3,194)	(174)
PRC	20,973	45,346	50,585
	20,793	42,152	50,411

The current and deferred components of the income tax expense (benefit) appearing in the consolidated statements of operations are as follows:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
Current tax expense	2,868	13,255	5,661
Deferred tax expense (benefit)	5,589	5,550	(7,860)
	8,457	18,805	(2,199)

A reconciliation of the differences between the statutory tax rate and the effective tax rate for EIT is as follows:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
Income before income taxes	20,793	42,152	50,411
Income tax computed at applicable tax rates (2007: 33% 2008 and 2009: 25%)	6,862	10,538	12,603
Effect of different tax rates in different jurisdictions	61	734	20
Non-deductible expenses	2,765	1,799	2,245
Effect of preferential tax rate	(8,391)	(2,931)	(10,691)
Effect of tax rate changes	1,451	—	(9,525)
Investment basis difference in PRC Domestic Entities	4,551	6,599	1,488
Changes in valuation allowance	130	203	364
Decrease in unrecognized tax benefits	—	(24)	(165)
Changes in interest and penalty on unrecognized tax benefits	1,028	1,887	1,462
	8,457	18,805	(2,199)

A roll-forward of unrecognized tax benefits is as follows:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
Balance—beginning	767	2,667	13,810
Additions related to tax positions in current year	1,900	10,985	—
Reductions related to tax positions in prior years	—	(24)	(165)
Foreign currency adjustment	—	182	12
Balance—end	2,667	13,810	13,657

The Group has recorded an unrecognized tax benefit of approximately US$4,191, US$17,391, and US$18,705 as at December 31, 2007, 2008 and 2009, respectively, which is included in the account of "accrued expenses and other liabilities". In 2007, 2008 and 2009, US$4,191, US$17,391 and US$18,705, respectively, would impact tax expense, if recognized. Certain of these unrecognized tax benefit liabilities were settled in April 2010 (see Note 21).

It is possible that the amount of unrecognized tax benefits will change in the next twelve months. The Company expects that US$7,816 of unrecognized tax benefits originated in 2008 will be settled in the coming 12 months.

During the years ended December 31, 2007, 2008 and 2009, the Company recognized approximately US$1,028, US$1,887 and US$1,462 in income tax expenses for interest and penalties related to uncertain tax positions. Accrued interest and penalties related to unrecognized tax benefits were approximately US$3,581 and US$5,048 at December 31, 2008, and 2009, respectively.

The Company's PRC subsidiaries and PRC Domestic Entities are subject to the New EIT Law since January 1, 2008. The PRC income tax returns for fiscal year 2005 through fiscal year 2009 remain open for examination.

The aggregate amount and per share effect of the tax holidays are as follows:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
	(amounts in thousands except for the per share data)		
The aggregate amount	(8,391)	(2,931)	(10,691)
The aggregate effect on basic and diluted earnings per share:			
—Basic	0.11	0.04	0.14
—Diluted	0.11	0.04	0.14

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The components of deferred taxes are as follows:

	December 31,	
	2008	2009
	US$	US$
Deferred tax assets, current portion		
Accrued expenses	715	471
Net operating losses	715	—
Inventories	—	123
Total deferred tax assets, current portion	1,430	594
Deferred tax assets, non-current portion		
Net operating losses	688	1,335
Less: valuation allowance	(688)	(828)
Total deferred tax assets, non-current portion	—	507
Deferred tax liabilities, current portion		
Deferred revenue	—	(123)
Deferred tax liabilities, non-current portion		
Investment basis in PRC Domestic Entities	(13,991)	(5,687)
Deferred tax assets, current portion, net	1,430	471
Deferred tax assets, non-current portion, net	—	507
Deferred tax liabilities, non-current portion, net	(13,991)	(5,687)

As of December 31, 2009, the Company had net operating losses of approximately US$5,339 from several of its subsidiaries and PRC Domestic Entities, which can be carried forward to offset future net profit for income tax purposes. The net operating loss carry-forwards as of December 31, 2009 will expire in years 2010 to 2013 if not utilized.

Deferred tax liabilities arising from undistributed earnings:

Aggregate undistributed earnings of the PRC subsidiaries that are available for distribution to non-PRC tax resident parent companies at December 31, 2008 and 2009 are considered to be indefinitely reinvested under ASC 740-30 "Income Taxes: Other Considerations or Special Areas" (Pre-codification: Accounting Principles Board Opinion No. 23 "Accounting for Income Tax-Special Areas") and accordingly, no provision has been made for taxes that would be payable upon the distribution of those amounts to any entity within the Group outside the PRC.

Deferred tax liabilities arising from aggregate undistributed earnings of the PRC Domestic Entities that are available for distribution to PRC tax resident parent companies (i.e. WOFEs) amounted to US$13,991 and US$5,687 at December 31, 2008 and 2009, respectively.

14. SHARE-BASED PAYMENTS

Stock related award incentive plan

On September 1, 1999, the Company's shareholders approved the Stock Related Award Incentive Plan (the "Plan"). Under the Plan, the Company may issue up to 12% of the fully diluted ordinary shares of the company to its directors and employees. The purpose of the Plan is to provide additional incentive and motivation to its directors and employees, through an equity interest in the Company, to work towards increasing the value of the Company. The Plan provides for accelerated vesting, subject to certain conditions, if there is a change in control. The Plan has no stated expiry date.

The exercise price, vesting and other conditions of individual awards are determined by the Chairman of the Company. Typically the awards are subject to a 3 to 4 year service vesting condition and expire 10 or 15 years after the grant date. In addition, the grantee must return all awards and any proceeds from the sale of the awards if he/she violates certain provisions including a non-compete condition for a period of 2 years after cessation of employment with the Company. The non-compete condition does not give rise to an in-substance service condition.

Starting from December 31, 2006, the Company awarded Special Stock Options to its employees and directors. Terms for Special Stock Options are the same as other option grants except the underlying ordinary shares to be received upon exercise of the vested options do not have any entitlement to vote. Every two Special Stock Options is exercisable into one non-voting ordinary share. The Company's board of directors has the sole ability to authorize the creation of any class of ordinary shares pursuant to our Articles of Association; however, no non-voting class of ordinary shares has been created as at December 31, 2009. Under Cayman Islands law, the grant of stock options is legally valid even though the underlying non-voting class of ordinary share has not yet been formed. Since the Company has the ability to create such a class of shares without approval from any other party at any time, the Special Stock Options have been accounted for as equity awards and measured at the date on which the terms of the grant was communicated to the grantee (the "grant date"). These Special Stock Options vest 10% after the first year of service, 20% after the second year of service, 40% after the third year of service and 30% after the fourth year of service. The contractual life of the Special Stock Option is ten years from the date of grant.

From 2001 to 2003, the Company granted stock options which contained an exercise price denominated in HK$. Since this denomination is neither the functional currency of the Company nor the currency in which the grantee is paid, these stock options are dual indexed to foreign exchange and the shares of the Company. Accordingly, they are accounted for as liability awards that are remeasured at fair value with changes recognized in the consolidated statements of operations. Share-based compensation expense for the liability awards were approximately US$943, US$745 and US$1,242 for the years ended December 31, 2007, 2008 and 2009.

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A summary of the equity award activity under the Plan for the years presented is stated below:

Options Granted to Employees	Number of Shares*	Weighted-Average per Share Exercise Price	Weighted-Average Grant-date Fair Value per Share	Weighted Average Remaining Contractual Term (Years)	Aggregated Intrinsic Value
Outstanding, January 1, 2007	4,865,838				
Granted	992,554		US$ 2.81		
Outstanding, December 31, 2007	5,858,392				
Granted	986,554		US$ 3.75		
Outstanding, December 31, 2008	6,844,946	US$ 3.81	US$ 1.69		
Granted	1,033,654	US$ 10.00	US$ 1.95		
Repurchased	(35,000)	US$ 1.97	US$ 0.59		
Outstanding, December 31, 2009	7,843,600	US$ 4.53	US$ 1.73	8.86	US$ 20,658
Vested and expected to vest at December 31, 2009	7,843,600	US$ 4.53	US$ 1.73	8.86	US$ 20,658
Exercisable at December 31, 2009	4,498,783	US$ 3.04	US$ 1.10	8.49	US$ 16,743

* Including both voting and non voting shares.

The aggregate intrinsic value in the table above represents the difference between the fair value of Company's ordinary share as at December 31, 2009 and the exercise price.

As of December 31, 2009, there was US$7,013 of unrecognized share-based compensation cost related to equity awards; that is expected to be recognized over a weighted-average vesting period of 2.84 years. To the extent the actual forfeiture rate is different from original estimate, actual share-based compensation costs related to these awards may be different from the expectation.

As at December 31, 2009, there were 1,739,500 stock options outstanding with weighted average exercise price of HK$2.59 and weighted average remaining contractual term of 7.22 years which are accounted for as liability awards. These options are not reflected in the table above. These liability awards are fully vested. There have been no grants of liability awards during any of the years presented.

The fair value of each option award to employees and directors was estimated using the Binominal Option Pricing Model by the Company with assistance from Jones Lang LaSalle Sallmanns, an external valuation firm. The volatility assumption was estimated based on the price volatility of the shares of comparable companies in the internet media business because the Company was not a public company at the grant date and therefore did not have data to calculate expected volatility of the price of the underlying ordinary shares over the expected

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term of the option. The expected term was estimated based on the resulting output of the binomial option pricing model. The risk-free rate was based on the market yield of US Treasury Bonds & Notes with maturity terms equal to the expected term of the option awards. Forfeitures were estimated based on historical experience. The suboptimal exercise factor of 1.5 is based on external consultant's research on the early exercise behavior of employees with stock options.

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

	2007	2008	2009
Risk-free interest rate	3.61%	1.69%	3.39%
Dividend yield	—	1%	—
Expected volatility range	53.20%	77.67%	36.03%
Weighted average expected life	4.45 years	3.59 years	6.32 years

The Company calculated the estimated fair value of the liability awards at each reporting date using the binomial option pricing model with the following assumptions:

	2007	2008	2009
Risk-free interest rate	3.24%- 3.44%	1.14%-3.39%	1.75%-2.52%
Dividend yield	—	1%	—
Expected volatility range	53.20%	77.67%	36.03%
Weighted average expected life	—	—	—

The total fair value of equity awards vested during the year ended December 31, 2007, 2008 and 2009 were US$1,093, US$1,469 and US$2,434, respectively.

Total share-based compensation expense of share-based awards granted to employees and directors is as follows:

	For the Year Ended December 31,		
	2007	2008	2009
	US$	US$	US$
Cost of revenues	160	268	489
Selling expenses	142	323	595
General and administrative expenses	1,915	2,126	3,056
	2,217	2,717	4,140

15. RELATED PARTY TRANSACTIONS

a) Related Parties

Name of Related Parties	Relationship with the Group
Tianquan Vincent Mo	Executive chairman of the board of directors
Jiangong Dai	Chief executive officer of the Company
CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd. ("Hengshui")	A company under the control of Mr. Tianquan Vincent Mo

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b) The Group had the following related party transactions for the years ended December 31, 2007 2008 and 2009:

	2007 US$	2008 US$	2009 US$
Short-term interest-free loans to:			
Tianquan Vincent Mo	—	279	326
Jiangong Dai	—	272	264
Repayment of interest-free loans by:			
Tianquan Vincent Mo	179	292	198
Jiangong Dai	—	317	235
Short-term Loan to:			
Hengshui	—	—	7,323
Repayment of short-term loan by:			
Hengshui	—	—	637
Interest on loan to:			
Hengshui	—	—	85

c) The Group had the following related party balances at the end of the period:

	As at December 31,	
	2008 US$	2009 US$
Amount due from related parties:		
Tianquan Vincent Mo *	493	621
Jiangong Dai *	293	322
Hengshui **	—	6,686
	786	7,629

* The balances as of December 31, 2008 and 2009 were unsecured, interest-free and repayable on demand.

** The loan bears a stated interest rate of 10% per annum with a fixed repayment term of 6 months.

16. EMPLOYEE DEFINED CONTRIBUTION PLAN

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were approximately US$2,544, US$4,327 and US$5,027 for the years ended December 31, 2007, 2008 and 2009, respectively.

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17. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

Future minimum payments under non-cancelable operating leases with initial terms in excess of one year consist of the following at December 31, 2009:

	US$
2010	3,333
2011	2,480
2012	2,063
	7,876

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The company's lease arrangements have no renewal options, rent escalation clauses, restrictions or contingent rents and are all conducted with third parties. For the years ended December 31, 2007, 2008 and 2009, total rental expenses for all operating leases amounted to approximately US$2,486, US$4,024 and US$4,565, respectively.

Income Taxes

As of December 31, 2009, the Group has recognized approximately US$13,657 accrual for unrecognized tax benefits (note 13). The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of statutes of limitation. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties. As of December 31, 2009, the Group classified the US$13,657 accrual as a current liability and in April 2010 the Company settled certain uncertain tax positions originated in 2008 (note 21).

18. SEGMENT REPORTING

In accordance with ASC 280-10 "Segment Reporting: Overall" (Pre-codification: FAS No. 131, "Disclosures About Segments of an Enterprise and Related Information"), the Group's chief operating decision maker has been identified as the chief executive officer, who makes resource allocation decisions and assesses performance based on the Group's consolidated results; the Group has only one reportable segment.

Geographic disclosures:

As the Group generates substantially all of its revenues from customers domiciled in the PRC, no geographical segments are presented. All of the Group's long-lived assets are located in the PRC.

19. EARNINGS PER SHARE

Basic and diluted earnings per share for each of the years presented are calculated as follows:

	2007	2008	2009
	US$	US$	US$
	(amounts in thousands except for the number of shares and per share data)		
Numerator:			
Net income attributable to ordinary shareholders used in calculating income per ordinary share—basic and diluted	12,211	23,381	52,652
Denominator:			
Weighted average number of ordinary shares outstanding used in calculating basic earnings per share	74,020,217	74,020,217	73,986,129
Employee stock options	2,977,193	3,071,980	3,432,831
Weighted average number of ordinary shares outstanding used in calculating diluted earnings per share	76,997,410	77,092,197	77,418,960
Basic earnings per share	0.16	0.32	0.71
Diluted earnings per share	0.16	0.30	0.68

Options to purchase 3,552,392 (exercise price of US$5 per share), 4,538,946 (exercise price of US$5 per share) and 3,012,762 (exercise price US$5 to US$10 per share) ordinary shares were outstanding during the year ended 2007, 2008 and 2009 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average fair value of the ordinary shares and, therefore, the effect would be antidilutive.

20. FAIR VALUE MEASUREMENT

Effective January 1, 2008, the Group adopted ASC 820-10 "Fair Value Measurements and Disclosures: Overall" (Pre-codification: FAS 157 "Fair Value Measurements"). ASC 820-10 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Although the adoption of ASC 820-10 did not impact the Group's financial condition, results of operations, or cash flow, ASC 820-10 requires additional disclosures to be provided on fair value measurement.

ASC 820-10 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

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ASC 820-10 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

In accordance with ASC 820-10, the Company measures its trading securities at fair value. Trading securities are classified within Level 2 because they are valued using a model utilizing market direct observable inputs, such as historical volatility and risk-free interest rate.

	Fair Value Measurement at December 31, 2009			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value at December 31, 2009
	US$	US$	US$	US$
Trading securities:				
Adjustable rate structured notes	—	7,323	—	7,323

	Fair Value Measurement at December 31, 2008			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value at December 31, 2008
	US$	US$	US$	US$
Trading securities:				
Adjustable rate structured notes	—	7,315	—	7,315

21. SUBSEQUENT EVENTS

In April 2010, after holding discussions with the relevant PRC tax authorities and in an effort to minimize any further interest charges or penalties, the Company decided to pay US$9,000 to settle certain income tax liabilities (including interest of US$1,192) arising from unrecognized tax benefits which originated in 2008. As a result of the payment, these uncertain tax positions were settled without the imposition of any penalties by the PRC tax authorities. The Company did not record any penalties in relation to these uncertain tax positions in 2008 or 2009.

In April 2010, the Company modified the exercise price of certain stock options from HK dollar denomination to US dollar denomination. No other original terms of these stock options were modified. As a result, 1,739,500 stock options with exercise prices ranging from HK$1 to HK$5 were modified to contain exercise prices ranging from US$0.13 to US$0.64.

(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

22. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (See Note 12)

Condensed balance sheets

	As at December 31,	
	2008	2009
	US$	US$
ASSETS		
Current assets:		
Cash	83	112
Amount due from related party	245	245
Total current assets	328	357
Non-current assets:		
Investment in subsidiaries and PRC Domestic Entities	53,024	108,703
Total assets	53,352	109,060
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other liabilities	3	3
Dividend Payable	24,200	43,906
Amount due to subsidiaries	15,866	40,713
Total liabilities	40,069	84,622
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares (par value of HK$1 per share at December 31, 2008 and 2009, respectively; Authorized—600,000,000 shares at December 31, 2008 and 2009 respectively; Issued and outstanding—74,020,217 and 73,932,217 shares at December 31, 2008 and 2009, respectively)	9,501	9,489
Additional paid-in capital	35,707	9,279
Accumulated other comprehensive income	5,582	5,670
Accumulated deficits	(37,507)	—
Total shareholders' equity	13,283	24,438
Total liabilities, and shareholders' equity	53,352	109,060

SOUFUN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

Condensed statements of operations

	For the Year Ended December 31, 2007 US$	For the Year Ended December 31, 2008 US$	For the Year Ended December 31, 2009 US$
General and administrative expenses	(62)	—	—
Operating loss	(62)	—	—
Equity in profits of subsidiaries and PRC Domestic Entities	12,269	20,557	52,611
Foreign exchange loss	—	2,824	41
Interest income	4	—	—
Net income	12,211	23,381	52,652

Condensed statements of cash flows

	2007 US$	2008 US$	2009 US$
Net cash used in operating activities	(58)	(3)	—
Net cash (used in) provided by investing activities	(127)	16	29
Net (decrease) increase in cash	(185)	13	29
Cash at beginning of the year	255	70	83
Cash at end of the year	70	83	112
Supplemental schedule of cash flow information:			
Dividend paid by subsidiaries of the Company:	2,647	16,210	24,241

Basis of Presentation

For the presentation of the parent company only condensed financial information, the Company records its investment in subsidiaries and PRC Domestic Entities, which it effectively controls through contractual agreements, under the equity method of accounting as prescribed in ASC 323-10, "Investments-Equity Method and Joint Ventures: Overall" (Pre-codification: APB opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock"). Such investment is presented on the condensed balance sheets as "Investment in Subsidiaries and PRC Domestic Entities" and the subsidiaries and PRC Domestic Entities' profit or loss as "Equity in profit or loss of subsidiaries and PRC Domestic Entities" on the condensed statements of operations. The parent company only condensed financial statements should be read in conjunction with the Company's consolidated financial statements.

SOUFUN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of United States Dollar ("US$")
except for number of shares)

	Notes	As at December 31, 2009* US$	As at June 30, 2010 US$ (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents		92,239	105,368
Short-term investments	2	28,558	37,550
Accounts receivable (net of allowance of US$4,432 and US$4,045 as of December 31, 2009 and June 30, 2010, respectively)	3	13,985	11,948
Prepayment and other current assets	4	1,952	2,655
Amounts due from related parties	10	7,629	10,529
Deferred tax assets, current		471	473
Inventories		4,390	8,222
Total current assets		149,224	176,745
Non-current assets:			
Property and equipment, net	5	4,220	6,778
Deferred tax assets, non current		507	527
Other non-current assets		543	1,029
Total Non-current assets		5,270	8,334
Total assets		154,494	185,079

* Amounts for the year ended December 31, 2009 were derived from the December 31, 2009 audited consolidated financial statements.

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SOUFUN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS—(Continued)
(Amounts in thousands of United States Dollar ("US$")
except for number of shares)

	Notes	As at December 31, 2009* US$	As at June 30, 2010 US$ (Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Deferred revenue (including related party amount of nil and US$183 as at December 31, 2009 and June 30, 2010, respectively)		28,795	54,346
Accrued expenses and other liabilities	6	37,342	31,061
Dividend payable		43,906	44,147
Share based compensation liability	9	11,129	—
Income tax payable		3,134	2,633
Total current liabilities		124,306	132,187
Deferred tax liability, non-current	8	5,687	9,441
Total liabilities		129,993	141,628
Commitments and contingencies	12		
Shareholders' equity:			
Ordinary shares (par value of Hong Kong Dollar (HK$) 1 per share; Authorized—600,000,000 shares; Issued and outstanding—73,932,217 shares and 73,932,217 shares as at December 31, 2009 and June 30, 2010, respectively)		9,489	9,489
Additional paid-in capital		9,279	22,225
Accumulated other comprehensive income	15	5,670	6,376
Retained earnings		—	5,309
Total SouFun Holdings Limited's equity		24,438	43,399
Noncontrolling interests		63	52
Total shareholders' equity		24,501	43,451
Total liabilities and shareholders' equity		154,494	185,079

* Amounts for the year ended December 31, 2009 were derived from the December 31, 2009 audited consolidated financial statements.

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SOUFUN HOLDINGS LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of United States Dollar ("US$")
except for number of shares and per share data)

	Notes	For the Six Months Ended June 30, 2009 US$ (Unaudited)	For the Six Months Ended June 30, 2010 US$ (Unaudited)
Revenues			
Marketing services(including related party amount of nil and US$375 for the six months ended June 30, 2009 and 2010, respectively)	10	29,503	45,586
Listing services		5,398	14,006
Other value-added services and products		2,056	8,593
Total revenues		36,957	68,185
Cost of revenues			
Cost of services		(9,506)	(18,164)
Cost of value-added services and products		(1,185)	(6,887)
Total cost of revenues		(10,691)	(25,051)
Gross profit		26,266	43,134
Operating expenses:			
Selling expenses		(9,988)	(16,742)
General and administrative expenses		(9,379)	(14,330)
Operating income		6,899	12,062
Foreign exchange loss		(17)	(481)
Interest income (including related party amount of nil and US$305 for the six months ended June 30, 2009 and 2010, respectively)		613	1,162
Realized gain—trading securities		85	164
Government grants		336	356
Income before income tax		7,916	13,263
Income tax expense	8	(4,190)	(7,965)
Net income		3,726	5,298
Net loss attributable to noncontrolling interests		(20)	(11)
Net income attributable to SouFun Holdings Limited shareholders		3,746	5,309
Earnings per share	13		
Basic		0.05	0.07
Diluted		0.05	0.07
Weighted average number of ordinary shares outstanding:	13		
Basic		74,020,217	73,932,217
Diluted		77,386,202	77,851,697

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SOUFUN HOLDINGS LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of United States Dollar ("US$"))

	For the Six Months Ended June 30,	
	2009	2010
	US$ (Unaudited)	US$ (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	3,726	5,298
Adjustments to reconcile net income to net cash generated from operating activities:		
Share-based compensation	2,013	1,817
Depreciation of property and equipment	601	982
Deferred tax expense	353	3,706
Allowance for doubtful accounts	1,484	1,609
Unrealized foreign exchange loss	17	483
Changes in operating assets and liabilities:		
(Decrease) increase in accounts receivable	(1,113)	488
Increase in prepayments and other current assets	(147)	(689)
Increase in other non-current assets	—	(481)
Increase (decrease) in accrued expenses and other liabilities	1,764	(6,463)
Increase in deferred revenue (including related party amounts of nil and US$183 for the six months ended June 30, 2009 and 2010, respectively)	14,262	25,297
Change in inventories	(1,792)	(3,791)
Increase (decrease) in income tax payable	2,837	(519)
Deposit paid to related parties for services	—	(9,539)
Net cash generated from operating activities	24,005	18,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for short-term investments	(13,174)	(32,244)
Proceeds received from maturity of short-term investments	21,957	23,456
Acquisition of property and equipment	(67)	(3,558)
Proceeds from disposal of property and equipment	91	53
Change in amount due from related parties	120	—
Repayment of loan from a related party	—	6,693
Net cash generated from (used in) investing activities	8,927	(5,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(24,241)	—
Net cash used in financing activities	(24,241)	—
Exchange rate effect on cash and cash equivalents	22	531
Net increase in cash and cash equivalents	8,713	13,129
Cash and cash equivalents at beginning of period	63,022	92,239
Cash and cash equivalents at end of period	71,735	105,368
Supplemental schedule of cash flow information:		
Income tax paid	570	2,246
Non-monetary exchange of services for prepaid cards	4,371	11,891

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollar ("US$"),
except for number of shares and per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements include the financial statements of SouFun Holdings Limited (the "Company") and its subsidiaries. The Company and its subsidiaries are collectively referred to as the "Group". These unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information using accounting policies that are consistent with those used in the preparation of the Group's audited consolidated financial statements for the year ended December 31, 2009. These unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Group for each of the periods presented. The results of operations for the six months ended June 30, 2010 are not necessarily indicative of results to be expected for any other interim period or the full year of 2010 due in part to the seasonality of the Group's business. Historically, the expenditure on marketing campaigns tends to decrease due to reduced advertising and marketing activity for the real estate industry during and around the Chinese Lunar New Year holiday, which generally occurs in January or February of each year. The consolidated balance sheet as of December 31, 2009 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for complete financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements and related notes for the year ended December 31, 2009.

To comply with PRC laws and regulations which restrict foreign control of companies involved in internet content provision ("ICP") and advertising businesses, the Group operates its websites and provides online marketing advertising services in the PRC through its PRC Domestic Entities. The equity interests of the PRC Domestic Entities are legally held directly by Tianquan Vincent Mo, Executive Chairman of the Company, and Jiangong Dai, president and CEO of the Company. Jiangong Dai held the shares in Beijing Advertising and Beijing Information on behalf of Tianquan Vincent Mo from September 2000 to June 2004. The effective control of the PRC Domestic Entities is held by the Company through a series of contractual arrangements, (the "Structure Contracts"). As a result of the Structure Contracts, the Company maintains the ability to approve decisions made by the PRC Domestic Entities, is entitled to substantially all of the economic benefits from the PRC Domestic Entities and is obligated to absorb all of the PRC Domestic Entities' expected losses. Therefore, the Company consolidates the PRC Domestic Entities in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810-10 "Consolidation: Overall" (Pre-codification: Accounting Research Bulletin No. 51, "Consolidated Financial Statements", and its related interpretations, Statement of Financial Accounting Standards ("SFAS") No. 94, "Consolidation of All Majority—Owned Subsidiaries, an amendment of ARB No. 51, with related amendments

of APB Opinion No. 18 and ARB 43, Chapter 12", and FASB Interpretation No. 46 (Revised), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51").

The following is a summary of the Structure Contracts:

Exclusive Technical Consultancy and Service Agreements, and Operating Agreements

The Company, through its subsidiaries (the "WOFEs"), provide the following exclusive technical services to the PRC Domestic Entities: i) access to information assembled by the WOFEs concerning the real estate industry and companies in this sector to enable the PRC Domestic Entities to target potential customers and provide research services; and ii) technical IT system support to enable the PRC Domestic Entities to service the advertising and listing needs of its customers.

Equity Pledge Agreement, Shareholders Proxy Agreement, and Exclusive Call Option Agreement

The legal shareholders have pledged their entire respective ownership interests in each PRC Domestic Entity to the WOFEs. The legal shareholders entrusted the WOFEs their rights to attend shareholders' meetings and cast votes. The agreement will continue unless terminated upon written consents by the WOFEs or their designated legal persons.

The Company has the exclusive right to acquire from the legal shareholders their entire respective equity interests in each of the PRC Domestic Entities at a price equivalent to the historical cost when permitted by applicable PRC laws and regulations. The agreement has a term of ten years and may be extended indefinitely under the sole discretion by the WOFEs.

Each PRC Domestic Entity and its legal shareholders have also agreed not to enter into any transaction that would substantially affect the assets, rights, obligations or operations of the PRC Domestic Entity without prior written consent from the WOFEs. The PRC Domestic Entities will not distribute any dividend without the prior written consent from the WOFEs. In addition, the PRC Domestic Entities will appoint or remove their directors and executive officers upon instruction from WOFEs. The WOFEs possess the rights to control the daily operation and to make management decisions for the PRC Domestic Entities through the operating agreement.

Loan Agreements

The WOFEs provided loans to the legal shareholders to enable them to pay the registered capital of the PRC Domestic Entities. Under the terms of the loan agreements, the legal shareholders will repay the loans by transferring their legal ownership in the PRC Domestic Entities when permitted by applicable PRC laws and regulations.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

Supplementary Agreements

In addition to the above Structure Contracts, on March 25, 2010, WOFEs and the PRC Domestic Entities entered into supplementary agreements whereby:

- the WOFEs have unilateral discretion in setting the technical service fees charged to the PRC Domestic Entities;
- the WOFEs are obligated to provide financial support to the PRC Domestic Entities in the event the PRC Domestic Entities incur losses;
- the annual budget of the PRC Domestic Entities should be assessed and approved by the WOFEs;
- the legal shareholders agree to remit any dividends, received from the PRC Domestic Entities, to the WOFEs; and
- the PRC Domestic Entities are obligated to transfer their entire retained earnings after deduction of PRC income tax to the WOFEs upon the WOFEs' request.

With the above agreements, the Company demonstrates its ability to control the PRC Domestic Entities, through the Company's right to all the residual benefits of the PRC Domestic Entities and the Company's obligation to fund losses of the PRC Domestic Entities. Thus the results of the PRC Domestic Entities are consolidated in the Company's financial statements. Business taxes relating to service fees charged by the WOFEs are recorded as cost of services.

Use of estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Group's financial statements include, but are not limited to, revenue recognition, allowance for doubtful accounts, useful lives of property and equipment, realization of deferred tax assets, estimate of income taxes for interim periods, share-based compensation expense and uncertain income tax positions. Actual results could materially differ from those estimates.

Cost of Revenues

The Group's business is subject to business taxes, surcharges or cultural construction fees levied on advertising-related sales in China. In accordance with ASC 605-45 Revenue Recognition—Principal Agent Considerations, all such business taxes, surcharges and cultural construction fees are presented as cost of revenues on the consolidated statements of operations.

Business tax and related surcharges and cultural construction fees for the six months ended June 30, 2009 and 2010 are approximately US$2,766 and US$4,638, respectively.

Inventories

As at December 31, 2009, the Group held 61,681 prepaid cards with face value of US$6,298 which will expire from March 2010 through December 2010. As at June 30, 2010, the Company

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

held 159,164 prepaid cards with face value of US$11,745 which will expire from July 2010 through June 2011.

Advertising Expenditure

For the six months ended June 30, 2009 and 2010, the advertising expenses were approximately US$707 and US$1,513, respectively.

Initial Public Offering Expenses

As at June 30, 2010, the Company planned to only register those shares that will be sold by selling shareholders as the Company did not intend to sell new shares in its initial public offering. Accordingly, all the costs relating to its initial public offering incurred up June 30, 2010 were expensed. For the six months ended June 30, 2010, initial public offering costs of US$1,856 have been expensed and are included in the general and administrative expenses.

2. SHORT TERM INVESTMENTS

	December 31, 2009 US$	June 30, 2010 US$ (Unaudited)
Held-to-maturity securities		
—Fixed rate time deposits	21,235	30,187
Trading securities		
—Adjustable rate investments (1)	7,323	7,363
	28,558	37,550

(1) As of June 30, 2010, the Group owned US$7,363 (December 31, 2009—US$7,323) of trading securities which mature in September 29, 2010 (December 31, 2009—March 15, 2010). This investment will pay variable interest ranging from 1.5% to 6% (December 31, 2009—1.98% to 6%) based on a formula linked to a trading range between the Euro and US$.

As of December 31, 2009 and June 30, 2010, the fair value of trading securities approximated their carrying value.

The following table summarizes the estimated fair value of trading securities as of June 30, 2010:

	Carrying Value US$	Gross Unrealized Gains US$	Gross Unrealized Losses US$	Fair Value US$
Trading securities				
—Adjustable rate investments	7,363	—	—	7,363

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

3. ACCOUNTS RECEIVABLE

	December 31, 2009 US$	June 30, 2010 US$ (Unaudited)
Accounts receivable	18,417	15,993
Allowance for doubtful accounts	(4,432)	(4,045)
Accounts receivable, net	13,985	11,948

	For the Six Months Ended June 30,	
	2009 US$ (Unaudited)	2010 US$ (Unaudited)
Movement in allowance for doubtful accounts:		
Balance at beginning of the period	3,330	4,432
Additional provision charged to expense	1,484	1,609
Write-offs	(2,223)	(2,021)
Foreign currency adjustment	—	25
Balance at end of the period	2,591	4,045

4. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consist of the following:

	December 31, 2009 US$	June 30, 2010 US$ (Unaudited)
Prepaid expenses	514	684
Advance to employees	355	799
Rental and other deposits	625	551
Interest receivables	334	598
Others	124	23
	1,952	2,655

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31, 2009 US$	June 30, 2010 US$ (Unaudited)
Office equipment	6,015	8,519
Motor vehicles	526	755
Leasehold improvement	1,185	1,965
Total	7,726	11,239
Less: Accumulated depreciation	(3,506)	(4,461)
	4,220	6,778

Depreciation expense amounted to approximately US$601 and US$982 for the six months ended June 30, 2009 and 2010, respectively.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2009 US$	June 30, 2010 US$ (Unaudited)
Payroll and welfare benefit	5,487	7,842
Other taxes and surcharges payable	11,921	10,753
Accrued unrecognized tax benefits and related interests and penalties	18,705	10,644
Others	1,229	1,822
	37,342	31,061

7. RESTRICTED NET ASSETS

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's subsidiaries.

As a result of these PRC laws and regulations that require annual appropriations of 10% of after-tax income to be set aside prior to payment of dividends as general reserve fund, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company. Amounts restricted include paid-in capital, statutory reserve funds and net assets of the Company's PRC subsidiaries, as determined pursuant to PRC generally accepted accounting principles, totaling approximately US$135,840 as of June 30, 2010.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

8. TAXATION

Tax expense:

For the six months ended June 30, 2010 and 2009, the Group recognized income tax expenses of US$7,965 and US$4,190, respectively, representing effective tax rates of 60.0% and 52.9%, respectively. The effective tax rate for the six months ended June 30, 2010 reflects the impact of a change in tax law (as further discussed below) which increased income tax expense by US$3,760, as well as preferential tax treatment received by certain WOFEs and PRC Domestic Entities in 2010. Other permanent book-tax differences, and changes in deferred tax liabilities associated with outside basis differences, which impacted the effective rate are similar for the six months ended June 30, 2010 and 2009.

Unrecognized tax benefits:

During the six months ended June 30, 2010 and 2009, the Group recognized US$895 and US$425, respectively, in income tax expense for the interest related to uncertain tax positions. The Group does not expect that the amount of unrecognized tax benefits will change significantly within the next 12 months.

As of December 31, 2009 and June 30, 2010, the Group recorded approximately US$18,705 and US$10,644 as an accrual for unrecognized tax benefits and related interest and penalties, respectively. The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of status of limitation. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties. As of June 30, 2010, the Group classified the US$10,644 accrual as a current liability.

Settlement of uncertain tax positions:

In April 2010, the Company paid US$9,000 (including interest of US$1,192) to settle certain uncertain tax positions originated in 2008 with the relevant taxation authorities. Following the payments, those uncertain tax positions were effectively settled without any penalty charges. The Company did not record any penalty in relation to those uncertain tax positions in 2008 or 2009.

Change in tax law:

In April 2010, the State Administration of Taxation ("SAT") announced the "Circular on Further Clarification Concerning the Implementation Standards of CIT Incentives in Grandfathering Period" dated April 21, 2010 (Circular Guoshui Han[2010] No. 157, herein after referred to as Circular 157), stating that enterprises that are recognized as "high and new technology enterprises ("HNTEs")" and meanwhile are eligible to enjoy the grandfathering treatments such as an exemption from corporate income tax for two years and a 50% tax reduction for the succeeding three years under Circular GuoFa [2007] No. 39 (herein after referred to as Circular 39), may choose to adopt the reduced tax rate of 15% applicable to HNTEs, or choose to enjoy the tax exemption or reduction based on the tax rates in the grandfathering period as stated in Circular 39. Enterprises are not allowed to enjoy the 50%

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

reduction based on the preferential tax rate for HNTEs of 15%. The circular applies retroactively effective from January 1, 2008.

As a consequence of Circular 157, the applicable income tax rates for SouFun Network, Beijing Technology, and Beijing JTX Technology will be 10%, 10%, 0% for 2009 and 11%, 11%, 11% for 2010, respectively. An additional tax expense of US$3,760 was recognized in the six months ended June 30, 2010 in respect of the cumulative effect of Circular 157 for the applicable tax periods prior to the announcement in April 2010 (i.e., for the year ended December 31, 2009 and the three months ended March 31, 2010), comprising of current income tax expense of US$1,066 and deferred tax expense of US$2,694. The Company is in the process of discussing the settlement procedures for the additional tax required under Circular 157 and thus the additional tax was classified as income tax payable in the balance sheet.

9. SHARE-BASED PAYMENTS

A summary of the equity award activity under the Stock related award incentive plan (the "Plan") for the years presented is stated below:

Options Granted to Employees	Number of Shares*	Weighted-Average per Share Exercise Price	Weighted-Average Grant-date Fair Value per Share	Weighted Average Remaining Contractual Term (Years)	Aggregated Intrinsic Value
Outstanding, December 31, 2009	7,843,600	US$ 4.53	US$1.73		
Granted	37,500	US$10.00	US$2.23		
Forfeited	28,168	US$ 6.99	US$2.64		
Expired	28,382	US$ 3.94	US$1.12		
Reclassified from liability awards	1,739,500	US$ 0.15	US$0.02		
Outstanding, June 30, 2010	9,564,050	US$ 3.78	US$1.42	8.07	34,879
Vested and expected to vest at June 30, 2010	9,564,050	US$ 3.78	US$1.42	8.07	34,879
Exercisable at June 30, 2010	6,258,150	US$ 2.29	US$0.79	7.65	30,148

* Including both voting and nonvoting shares.

The aggregate intrinsic value in the table above represents the difference between the fair value of Company's ordinary share as at June 30, 2010 and the exercise price.

In April 2010, the Company modified the exercise prices of certain vested stock options from a range of HK$1 to HK$5 to a range of US$0.13 to US$0.64. Prior to this modification, the 1,739,500 vested stock options were accounted for as liability awards . The modification changed the liability awards into equity awards because the stock options were no longer dual indexed to the Company's ordinary shares and foreign exchange. Additionally, as the modification did not result in any incremental fair value in the new equity awards granted, no additional compensation expense was recognized.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

As of June 30, 2010, there was US$5,500 of unrecognized share-based compensation cost related to equity awards that is expected to be recognized over a weighted-average vesting period of 2.46 years. To the extent the actual forfeiture rate is different from original estimate, actual share-based compensation costs related to these awards may be different from the expectation.

The total fair value of options vested during six months ended June 30, 2009 and 2010 were US$26 and US$26, respectively.

The Company calculated the estimated fair value of the liability awards for six months ended June 30, 2009 and 2010 using the binomial option pricing model with the following assumptions:

	For Six Months Ended June 30, 2009 US$	For Six Months Ended June 30 2010 US$
Risk-free interest rate	1.62%-1.95%	1.70%-2.65%
Dividend yield	—	—
Expected volatility range	51.91%	39.82%
Weighted average expected life	—	—
Suboptimal exercise factor	1.5	1.5

The Company calculated the estimated fair value of the equity awards for the six months ended June 30, 2010 using the binomial option pricing model with the following assumptions:

	For Six Months Ended June 30, 2010* US$
Risk-free interest rate	2.47%-4.27%
Dividend yield	—
Expected volatility range	39.72%
Weighted average expected life	— to 7.80 years
Suboptimal exercise factor	1.5

* No equity awards granted in the six months ended June 30, 2009

Total share-based compensation expense of share-based awards granted to employees and directors is as follows:

	For the Six Months Ended June 30,	
	2009 US$ (Unaudited)	2010 US$ (Unaudited)
Cost of revenues	238	251
Selling expenses	295	338
General and administrative expenses	1,480	1,228
	2,013	1,817

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

Share-based compensation expense for the liability awards were approximately US$564 and US$331 for the six months ended June 30, 2009 and 2010, respectively.

10. RELATED PARTY TRANSACTIONS

a) Related Parties

Name of Related Parties	Relationship with the Group
Tianquan Vincent Mo	Executive chairman of the board of directors
Jiangong Dai	Chief executive officer of the Company
CNED Hengshui Zhong Cheng Wanyuan Home CO., Ltd. ("Hengshui")	A company under the control of Mr. Tianquan Vincent Mo
Beijing Dong Fang Xi Mei Investment Consulting Co., Ltd. ("Dong Fang Xi Mei")	A company under the control of Mr. Tianquan Vincent Mo

b) The Group had the following related party transactions for each of the periods stated below:

	For the Six Months Ended June 30,	
	2009	2010
	US$ (Unaudited)	US$ (Unaudited)
Short-term interest-free loans to:		
Tianquan Vincent Mo	116	12
Repayment of interest-free loans by:		
Jiangong Dai	235	—
Repayment of loan by:		
Hengshui	—	6,693
Interest on loan to:		
Hengshui	—	305
Commitment deposit paid to:		
Hengshui	—	7,342
Commitment deposit paid to:		
Dong Fang Xi Mei	—	2,197
Marketing services provided to:		
Dong Fang Xi Mei	—	375
Advance received from:		
Hengshui	—	183

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

c) The Group had the following related party balances at the end of the period:

	December 31, 2009 US$	June 30, 2010 US$
Amount due from related parties:		
Tianquan Vincent Mo*	621	633
Jiangong Dai*	322	324
Hengshui**	6,686	7,363
Dong Fang Xi Mei***	—	2,209
	7,629	10,529
Advance from related party:		
Hengshui**	—	183

* The balances as of December 31, 2009 and June 30, 2010 were unsecured, interest-free and repayable on demand.

** The amount as of December 31, 2009 represents a loan to Hengshui. The loan bears a stated interest rate of 10% per annum with a fixed repayment term of 6 months. The amount has been repaid on May 5, 2010.

On May 4, 2010, the Company paid a commitment deposit of US$7,342 to Hengshui in exchange for being appointed as its exclusive online marketing or listing service provider. The deposit is interest free. Hengshui has pledged as collateral an unperfected security interest over some of its properties. The deposit will be repaid within six months after the date of receipt of the deposit by Hengshui.

*** The amount represents a commitment deposit of US$2,197 paid by the Company to Dong Fang Xi Mei in exchange for being appointed the exclusive online marketing or listing service provider for a property development in Hainan, China. The deposit is interest-free and is not secured by any collateral or security interest. The deposit was to be repaid within six months after the date of receipt of the deposit by Dong Fang Xi Mei. However, pursuant to a termination agreement dated July 5, 2010, Dong Fang Xi Mei returned to the Company the commitment deposit in full on July 16, 2010 and the online marketing services contract was terminated.

11. EMPLOYEE DEFINED CONTRIBUTION PLAN

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were approximately US$2,385 and US$3,125 for the six months ended June 30, 2009 and 2010, respectively.

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

12. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

Future minimum payments under non-cancelable operating leases with initial terms in excess of one year consist of the following at June 30, 2010:

	US$
Six months ended December 31,	
2010	2,666
Years ended December 31,	
2011	4,609
2012	3,849
2013	427
	11,551

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The Company's lease arrangements have no renewal options, rent escalation clauses, restrictions or contingent rents and are entered with third parties. For the six months ended June 30, 2009 and 2010, total rental expenses for all operating leases amounted to approximately US$2,151 and US$2,912, respectively.

Income Taxes

As of June 30, 2010, the Group has recognized approximately US$10,644 accrual for unrecognized tax benefits (note 8). The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of statutes of limitation. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

13. EARNINGS PER SHARE

Basic and diluted earnings per share for the periods presented are calculated as follows:

	For the Six Months Ended June 30,	
	2009	2010
	US$ (Unaudited)	US$ (Unaudited)
	(amounts in thousands except for the number of shares and per share data)	
Numerator:		
Net income attributable to ordinary shareholders used in calculating earnings per ordinary share—basic and diluted	3,746	5,309
Denominator:		
Weighted average number of ordinary shares outstanding used in calculating basic earnings per share	74,020,217	73,932,217
Employee stock options*	3,365,985	3,919,480
Weighted average number of ordinary shares outstanding used in calculating diluted income per share	77,386,202	77,851,697
Basic earnings per share	0.05	0.07
Diluted earnings per share	0.05	0.07

* Options to purchase 1,979,108 ordinary shares (exercise price of US$5 per share) and 2,039,258 ordinary shares (exercise price range from US$5 to US$10 per share) were outstanding during the six months ended June 30, 2009 and 2010 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average fair value of the ordinary shares and, therefore, the effect would be antidilutive.

14. FAIR VALUE MEASUREMENT

The Company measures its trading securities at fair value. In accordance with ASC 820-10 "Fair Value Measurements and Disclosures: Overall", a three-tier fair value hierarchy is established and prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

Trading securities are classified within Level 2 because they are valued using a model utilizing market direct observable inputs, such as historical volatility and risk-free interest rate.

(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

	Fair Value Measurement at June 30, 2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value at June 30, 2010
	US$	US$	US$	US$
Trading securities:				
Adjustable rate structured notes	—	7,363	—	7,363

15. COMPREHENSIVE INCOME

The changes in the components of other comprehensive income, net of taxes, were as follows:

	For the Six Months Ended June 30,	
	2009	2010
	US$ (unaudited)	US$ (unaudited)
Net income	3,726	5,298
Change in cumulative translation adjustment	24	741
Comprehensive income	3,750	6,039

The components of accumulated other comprehensive income, net of taxes, were as follows:

	December 31, 2009	June 30, 2010
	US$ (audited)	US$ (unaudited)
Cumulative translation adjustment	5,670	6,376

16. SUBSEQUENT EVENTS

(i) On July 16, 2010, the Company and Beijing Weiye, a third party sales agent for property developers, entered into an agreement pursuant to which the Company agreed to pay a commitment deposit up to a maximum of US$7,325 to Beijing Weiye in exchange for being appointed as its exclusive online marketing and listing provider for a property development project in Hainan Province, PRC for which Beijing Weiye is acting as the sales agent on behalf of the developer. The commitment deposit will be repaid within six months after the date of receipt of the deposit by Beijing Weiye. The terms of the contracted services to be provided are subject to further agreement between the Company and Beijing Weiye.

(ii) On August 4, 2010, Tianquan Vincent Mo, Hengshui and the Company entered into an agreement in which Tianquan Vincent Mo indemnifies, on an unsecured basis, the Company against any losses that may result should Hengshui fail to repay the commitment deposits of US$7,363 back to the Company.

SOUFUN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Amounts in thousands of United States Dollar ("US$"), except for number of shares and per share data)

(iii) On August 4, 2010, the Company's shareholders approved the reclassification and subdivision of our existing issued and paid-up share capital into 48,633,888 Class A and 25,298,329 Class B ordinary shares. Holders of Class A and Class B ordinary shares will have the same rights except for voting and conversion rights. Class A ordinary share will be entitled to one vote, each Class B ordinary share will be entitled to 10 votes. Each Class B ordinary share will be convertible into one Class A ordinary share at any time by its holder. Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstances.

(iv) On August 4, 2010, Media Partner Technology Limited ("Media Partner") paid US$308 in aggregate to exercise its vested options to purchase 1,125,000 Class B ordinary shares.

2,933,238 American depositary shares

SouFun Holdings Limited

representing 11,732,952 Class A ordinary shares

PROSPECTUS

Deutsche Bank Securities **Goldman Sachs (Asia) L.L.C.**

, 2010

Through and including 2010, the 25th calendar day after the date of this prospectus, U.S. federal securities law may require all dealers selling our ADSs, whether or not participating in this offering, to deliver a prospectus. This delivery requirement 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.

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 indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Island courts to be contrary to the public interest, such as providing indemnification against civil fraud or the consequences of committing a crime. The registrant's amended and restated articles of association provide that each officer or director, every auditor for the time being of the registrant and the liquidator or trustee of the registrant shall be indemnified and secured harmless out of the assets and profits of the registrant from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Pursuant to indemnification agreements, the form of which is filed as Exhibit 10.2 to this Registration Statement, we will agree to indemnify our directors and 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.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, 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 therefore is unenforceable.

Item 7. ***Recent Sales of Unregistered Securities***

During the past three years, we issued our securities listed below without registering the securities under the Securities Act. None of these transactions involved any underwriters' underwriting discounts or commissions, or any public offering. We believe that each of the following option grants was exempt from registration in reliance on Rule 701 and Regulation S under the Securities Act or Section 4(2) of the Securities Act.

Purchaser	Date of sale or issuance	Number of securities	Consideration (US$/share)	Underwriting discount and commission
Certain directors, officers and employees as a group	December 31, 2007	options to purchase a total of 992,554 non-voting ordinary shares	US$ 5.00	Not applicable
Certain directors, officers and employees as a group	December 31, 2008	options to purchase a total of 986,554 non-voting ordinary shares	US$ 5.00	Not applicable
Certain directors, officers and employees as a group	December 31, 2009	options to purchase a total of 1,033,654 non-voting ordinary shares	US$10.00	Not applicable

Item 8. ***Exhibits and Financial Statement Schedules***

(a) Exhibits

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant
3.2	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant
4.1	Specimen ordinary share certificate
4.2	Specimen American depositary receipt, incorporated by reference to Registration Statement on Form F-6 (Registration No. 333-) filed with the SEC
4.3	Form of Deposit Agreement, incorporated by reference to Registration Statement on Form F-6 (Registration No. 333-) filed with the SEC
4.4	Shareholders' Agreement, dated August 31, 2006
4.5	Stock Related Award Incentive Plan of 1999
4.6	2010 Stock Incentive Plan
4.7	Investor's Rights Agreement among the Registrant, General Atlantic, Apax, Next Decade, Media Partner and Digital Link, dated August 13, 2010
4.8	Registration Rights Agreement among the Registrant, General Atlantic and Apax, dated August 13, 2010
4.9	Options Exercise Agreement among Telstra International, the Registrant and Mr. Mo, dated August 12, 2010
5.1	Opinion of Conyers, Dill & Pearman, Cayman Islands special counsel to the Registrant, regarding the validity of the ordinary shares being registered
8.1	Opinion of Conyers, Dill & Pearman, special Cayman Islands tax counsel to the Registrant, regarding tax matters
8.2	Opinion of Sidley Austin LLP regarding certain U.S. tax matters
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10.2	Form of Indemnification Agreement
10.3	Form of Loan Agreement between and among SouFun Network or SouFun Media and Mr. Mo and Mr. Dai as shareholders of a consolidated controlled entity
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23.12	Consent of Thomas Nicholas Hall, an independent director appointee
24.1	Power of Attorney (included on page II-5 of this Registration Statement)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Anti-Fraud and Whistle-Blower Policy of the Registrant

* To be filed by amendment

(b) Financial Statement Schedules.

None.

Item 9. ***Undertakings***

(a) 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.

(b) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(c) 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.

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 September 2, 2010.

SouFun Holdings Limited

By: /s/ Tianquan Vincent Mo
Name: Tianquan Vincent Mo
Title: Executive Chairman

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Tianquan Vincent Mo and Lan Ying Guan, and each of them singly, as his true and lawful attorneys-in-fact and agents, each with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, as amended, and all post-effective amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitutes, may lawfully 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 indicated on September 2, 2010:

Signature	Capacity
/s/ Tianquan Vincent Mo Tianquan Vincent Mo	Executive Chairman
/s/ Quan Zhou Quan Zhou	Director
/s/ Shan Li Shan Li	Director

Signature	Capacity
/s/ Richard Jiangong Dai Richard Jiangong Dai	President and Chief Executive Officer (principal executive officer)
/s/ Lan Ying Guan Lan Ying Guan	Chief Financial Officer (principal financial officer)
/s/ Ji Wenting Ji Wenting	Principal Accounting Officer

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF THE REGISTRANT

Pursuant to the Securities Act of 1933, as amended, the undersigned being the duly authorized representative in the United States of SouFun Holdings Limited, has signed this registration statement or amendment thereto in the City of New York, State of New York, on September 2, 2010.

Law Debenture Corporate Services Inc.

By: /s/ Kate Ledyard
Name: Kate Ledyard
Title: Manager
Law Debenture Corporate Services Inc.

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* To be filed by amendment

THE COMPANIES LAW (REVISED)
COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

SouFun Holdings Limited

(Adopted by way of special resolution passed on 31 August 2006)

NAME

1. The name of the Company is **SouFun Holdings Limited**.

REGISTERED OFFICE

2. The Registered Office of the Company shall be at the offices of Codan Trust Company (Cayman) Limited, Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies.

GENERAL OBJECTS AND POWERS

3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:

(a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;

(b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately

required upon such securities and in such manner as may be from time to time determined.

4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (Revised).

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.

6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

LIMITATION OF LIABILITY

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

AUTHORISED CAPITAL

8. The authorized share capital of the Company is HK$600,000,000 divided into 600,000,000 ordinary shares with a par value of HK$1.00 each, with power for the Company insofar as is permitted by law to purchase any of its shares and to increase or reduce the said capital, in each case subject to the provisions of the Companies Law (Revised), this Memorandum, and the Articles of Association annexed hereto 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 stated to be preference or otherwise shall be subject to the powers hereinbefore contained.

The Companies Law (Revised)
Company Limited by Shares

THE THIRD AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

SouFun Holdings Limited
(Adopted by way of a special resolution passed on 31 August 2006)

INDEX

INTERPRETATION

TABLE A

1. The regulations in Table A in the Schedule to the Companies Law (Revised) do not apply to the Company.

INTERPRETATION

2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

WORD	MEANING
“Audit Committee”	the audit committee of the Company formed by the Board pursuant to Article 112(1) hereof, or any successor audit committee.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Articles”	these Articles in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction.
“Company”	Soufun Holdings Limited
“competent regulatory	a competent regulatory authority in the territory where

WORD	MEANING
authority”	the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such territory.
“Corporate Governance Policies”	mean the corporate governance policies or initiatives adopted by the Board and as may be in effect from time to time in accordance with Article 86(3) hereof.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“dollars” and “HK$”	dollars, the legal currency of the Hong Kong Special Administrative Region.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“Memorandum”	the memorandum of association of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Articles.
“Office”	the registered office of the Company for the time being.
“ordinary resolution”	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than ten (10) clear days’ Notice has been duly given;
“paid up”	paid up or credited as paid up.

WORD	MEANING
"Register"	the register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
"Seal"	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
"Secretary"	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
"Shareholders Agreement"	that certain Shareholders Agreement entered into between the Company and other parties thereto dated 31 August 2006 (a copy of which is appended to these Articles), as amended from time to time.
"Shares"	the ordinary shares of the Company.
"special resolution"	a resolution shall be a special resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than ten (10) clear days' Notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that a resolution may be proposed and passed as a special resolution at a meeting of which no less than ten (10) clear days' Notice has been given if it is so agreed by the Members (or their proxies) holding a majority of the aggregate voting power of all of the shares of the Company having the right to vote at such meeting. A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.

WORD	MEANING
"Statutes"	the Law and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its Memorandum of Association and/or these Articles.
"year"	a calendar year.

(2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

(a) words importing the singular include the plural and vice versa;

(b) words importing a gender include both gender and the neuter;

(c) words importing persons include companies, associations and bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive;

(ii) "shall" or "will" shall be construed as imperative;

(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable Statutes, rules and regulations;

(f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;

(g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;

(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

SHARE CAPITAL

3. (1) The authorized share capital of the Company at the date on which these Articles come into effect is HK$600,000,000 divided into 600,000,000 ordinary shares with a par value of HK$1.00 each. The preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the rights of the Ordinary Shares are as set out in Article 9 hereof.

(2) Subject to the Law, the Company's Memorandum and Articles of Association and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit.

(3) No share shall be issued to bearer.

ALTERATION OF CAPITAL

4. Subject to these Articles, the Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum of Association to:

(a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;

(b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(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 capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares

representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.

7. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. Subject to the provisions of the Memorandum and these Articles, the shares shall be divided into such number of classes and series as the members shall from time to time determine by special resolution.

9. Rights, preferences, privileges and limitations of the Ordinary Shares of the Company are as follows:

(a) **Dividend Provision**. The holders of the Ordinary Shares shall, subject to the Law the Memorandum and these Articles, be entitled to receive, when, as and if declared by the Directors, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Directors.

(b) **Liquidation**. Upon the winding up of the Company, the assets, if any, of the Company shall be distributed, subject to the Law, the Memorandum and these Articles, ratably to the holders of the Ordinary Shares.

(c) **Redemption**. Subject to applicable laws, the Ordinary Shares may be redeemed in accordance with the Shareholders Agreement.

VARIATION OF RIGHTS

10. Subject to the Law, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the

provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

(a) the necessary quorum (whether at a separate general meeting or at its adjourned meeting) shall be a person or persons (or in the case of a Member being a corporation, its duly authorized representative) together holding or representing by proxy not less than three-quarters in nominal value of the issued shares of that class;

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

(c) any holder of shares of the class present in person or by proxy or authorised representative may demand a poll.

At an adjourned meeting of such holders, shareholders present in person or by proxy that represent not less than three-quarters in nominal value of the relevant shares will constitute a quorum.

11. The special rights conferred upon the holders of any shares or class or series of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares or class or series of shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking junior therewith.

SHARES

12. (1) Subject to the Law, these Articles and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. In particular and without prejudice to the generality of the foregoing, the Board is hereby empowered to authorize by resolution or resolutions from time to time the issuance of one or more classes or series of ordinary or preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges of preferred shares, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series to the extent permitted by Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of ordinary or preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the ordinary shares of any other class or series (subject to the provisions of the Shareholders Agreement).

(2) Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any class or series of ordinary or preferred shares, no vote of the holders of preferred shares of or ordinary shares shall be a prerequisite to the issuance of any shares of any class or series of the preferred shares authorized by and complying with the conditions of the Memorandum and Articles of Association.

(3) Subject to these Articles, the Board may issue options, warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class or series of shares or securities in the capital of the Company on such terms as it may from time to time determine.

13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Law. Subject to the Law, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

14. Except as required by law and unless the Company otherwise agrees in writing, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. Subject to the Law and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may

be affixed to such certificates by some mechanical means or may be printed thereon. Share certificates shall include any legend required pursuant to the Shareholders Agreement.

17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

19. Share certificates shall be issued in a timely manner, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

20. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as the Directors shall determine (not to exceed HK$50). If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

21. 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 and on payment of such fee as the Company may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Board has determined that the original has been destroyed.

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and

paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

23. Subject to these Articles, the Company may sell in such manner as the Board determines any share 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, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred 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 relating to the sale.

CALLS ON SHARES

25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. 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 on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:

(a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and

(b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.

37. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

42. 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.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

(a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register; and

(c) the date on which any person ceased to be a Member.

44. The Register of Members shall be open to inspection for such times and on such days as the Board shall determine by Members without charge or by any other person, upon a maximum payment of HK$2.50 or such other sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Law. The Register of Members may, after notice has been given by advertisement in an

appointed newspaper or by any electronic means to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

RECORD DATES

45. Notwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for:

(a) determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than sixty (60) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;

(b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

TRANSFER OF SHARES

46. Subject to these Articles and the provisions of the Shareholders Agreement, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

48. The Board shall refuse to register a transfer of any share (other than the transfer of shares to a 100 Percent Associated Company (as defined in the Shareholders Agreement)) unless all provisions of the Shareholders Agreement applicable to such transfer shall have been complied with. A transfer of shares to a 100 Percent Associated Company shall be permitted subject to satisfaction of the conditions set out in the Shareholders Agreement.

49. In addition to the restrictions imposed by the last preceding Article, the Board may decline to recognise any instrument of transfer unless:-

(a) a fee of such sum as the Board may from time to time require is paid to the Company in respect thereof (but in any event not to exceed HK$50);

(b) the instrument of transfer is in respect of only one class of share;

(c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Law (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

(d) if applicable, the instrument of transfer is duly and properly stamped.

50. If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

51. [Intentionally omitted]

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing at the Office to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member 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. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other

advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 75(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

(3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser 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 relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

GENERAL MEETINGS

56. An annual general meeting of the Company shall be held in each year (and not later than four (4) months after the end of the relevant financial year) at such time and place as may be determined by the Board.

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held at such times and in any location in the world as may be determined by the Board.

58. A majority of the Board, the Chairman of the Board or a Member that holds at least 33% of the issued ordinary share capital of the Company may requisition the Board by notice in writing to convene an extraordinary general meeting.

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting and any extraordinary general meeting may be called by not less than ten (10) clear days' Notice but a general meeting may be called by shorter notice, subject to the Law and to these Articles, if it is so agreed either before, at or after such meeting by the Members (or their proxies) holding a majority of the aggregate voting power of all of the shares of the Company entitled to attend and vote thereat.

(2) The notice shall specify the time and place of the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditor.

60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:

(a) the declaration and sanctioning of dividends;

(b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and the Auditor and other documents required to be annexed to the balance sheet;

(c) the election of Directors;

(d) appointment of Auditors (where special notice of the intention for such appointment is not required by the Law) and other officers;

(e) the fixing of the remuneration of the Auditor, and the voting of remuneration or extra remuneration to the Directors;

(f) subject to the Shareholders Agreement, the granting of any mandate or authority to the Directors to repurchase securities of the Company.

(2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. At any general meeting of the Company, Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing not less than a majority in nominal value of the total issued voting shares in the Company throughout the meeting shall form a quorum for all purposes.

62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. The Chairman of the Board shall preside as chairman at every general meeting. If at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.

64. The chairman may 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 which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

(a) by the chairman of such meeting; or

(b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

(d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or

by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the chairman to disclose the voting figures on a poll.

69. 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 in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.

70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

71. On a poll votes may be given either personally or by proxy.

72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

73. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law or where the Shareholders Agreement provides otherwise. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote in addition to any other vote he may have.

74. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting 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 in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered

holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office or head office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.

(2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

76. No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

77. If:

(a) any objection shall be raised to the qualification of any voter; or

(b) any votes have been counted which ought not to have been counted or which might have been rejected; or

(c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

78. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

79. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Office) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

82. 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 instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

83. Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member 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 at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) If a clearing house or depositary (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house or depositary (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house or depositary (or its nominee(s)) including the right to vote individually on a show of hands.

(3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

WRITTEN RESOLUTIONS OF MEMBERS

85. (1) Anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members of the Company, may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Law, on behalf of, all the Members who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

(2) A resolution in writing may be signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Law, on behalf of, all the Members, or any class thereof, in as many counterparts as may be necessary.

(3) For the purposes of this Article, the date of the resolution is the date when the resolution is signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Law, on behalf of, the last Member to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

(4) A resolution in writing made in accordance with this Article is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Article to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

(5) A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of the Law.

BOARD OF DIRECTORS

86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall be determined in accordance with the Shareholders Agreement and initially shall be six (6). The Directors shall be elected or appointed in accordance with the Shareholders Agreement and appointments shall be effected by a letter of direction addressed to the Company by the relevant Shareholder(s). Directors shall hold office until their successors are elected or appointed.

(2) 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.

DISQUALIFICATION OF DIRECTORS

87. The office of a Director shall be vacated if the Director:

(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;

(2) becomes of unsound mind or dies;

(3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months and the Board resolves that his office be vacated; or

(4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(5) is prohibited by law from being a Director;

(6) is removed by a letter of direction from the Shareholder(s) who appointed him (as determined pursuant to the Shareholders Agreement); or

(7) is removed from office pursuant to a special resolution.

EXECUTIVE DIRECTORS

88. 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 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.

89. Notwithstanding Articles 90 and 91, an executive director appointed to an office under Article 88 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.

DIRECTORS' FEES AND EXPENSES

90. The Directors shall receive such remuneration as the Board may from time to time determine. Each Director shall be entitled to be repaid or prepaid all traveling, 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.

91. 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.

DIRECTORS' INTERESTS

92. 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 or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

93. Subject to the 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 94 herein.

94. 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 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.

95. Following a declaration being made pursuant to the last preceding two Articles, subject to any separate requirement for Audit Committee approval under applicable law, 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

96. (1) The business of the Company shall be managed and conducted by the Board subject as provided in the Shareholders Agreement, 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 Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in 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.

(2) 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.

(3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

(a) 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.

(b) 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.

(c) 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.

97. 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.

98. 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.

99. 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.

100. 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.

101. (1) 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.

(2) 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

102. 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 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.

103. 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.

104. 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 Company, appointment of Directors and otherwise.

105. (1) 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.

(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the 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 Law in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

106. The Board shall meet for the despatch of business, adjourn and otherwise regulate its meetings in accordance with the provisions of the Shareholders Agreement but otherwise as it considers appropriate. Subject to the terms of the Shareholders Agreement, questions arising at any meeting shall be determined by a simple majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote except in relation to the matters specified in the Shareholders Agreement in which case the voting rights of the Directors shall be as described therein. The Chairman of the Board shall have authority to make certain decisions without requiring the sanction of the Board as more particularly specified in the Shareholders Agreement.

107. The Board shall appoint one of the Directors as Chairman of the Board in accordance with the terms of the Shareholders Agreement. The Chairman of the Board shall be vacated immediately if he ceases, for any reason, to be a Director but shall otherwise only be removed in accordance with the provisions of the Shareholders Agreement. A meeting of the Board may be convened by the Chairman of the Board or by anyone else permitted under the terms of the Shareholders Agreement. The Secretary, upon request of the Chairman of the Board or such other Directors as are specified in the Shareholders Agreement, shall convene a meeting of the Board in accordance with the requirements of the Shareholders Agreement and notice of which may be given in writing or by telephone or in such other manner as the Board may from time to time determine.

108. (1) The quorum necessary for the transaction of the business of the Board shall be determined in accordance with the terms of the Shareholders Agreement.

(2) 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 and all

meetings shall be conducted and subject to the relevant provisions set out in the Shareholders Agreement.

(3) 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.

109. 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, 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 summoning general meetings of the Company but not for any other purpose.

110. The Chairman of the Board (or his alternate or proxy) shall be the chairman of all meetings of the Board. If the Chairman of the Board is not present at any meeting within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. Subject to the terms of the Shareholders Agreement, at any meeting the Chairman shall have a casting vote.

111. 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.

112. (1) The Board may delegate any of its powers, authorities and discretions to committees (including, without limitation, an 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. The quorum for a meeting of any such committee shall be the same as for a meeting of the Board.

(2) 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.

113. 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, including, without limitation, any committee charter adopted by the Board for purposes or in respect of any such committee.

114. A resolution in writing signed by all the Directors 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.

115. 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.

MANAGERS

116. The Board shall appoint and maintain a chief executive officer and a chief financial officer in the manner described in the Shareholders Agreement. The chief executive officer shall have the responsibilities specified in the Shareholders Agreement. The Board may from time to time appoint another manager or managers of the Company and may fix his or their remuneration either by way of salary or 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 of the staff of the chief executive officer, manager or managers who may be employed by him or them upon the business of the Company.

117. The appointment of such chief executive officer, chief financial officer, manager or managers may be for such period as the Board may, subject to the terms of the Shareholders Agreement, decide, and the Board may confer upon the chief executive officer and chief financial officer all or any of the powers of the Board as they may think fit.

118. The Board may enter into such agreement or agreements with any such chief executive officer, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such chief executive officer, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

ALTERNATE DIRECTOR

119. Any Director may in writing appoint another person to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote thereat as a Director when the person appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

120. Any Director may appoint any person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

OFFICERS

121. (1) The officers of the Company shall consist of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and Secretary 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 Law and these Articles. For the avoidance of doubt a person may hold more than one position as an officer of the Company.

(2) The Directors may from time to time appoint or elect a Chairman, who shall be the Chairman of the Board, hereunder, and if more than one Director is proposed for this office, the election to such office shall take place in such manner as the Directors may determine.

(3) The officers shall receive such remuneration as the Directors may from time to time determine.

122. (1) 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.

(2) 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 Law or these Articles or as may be prescribed by the Board.

123. 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.

124. A provision of the 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.

REGISTER OF DIRECTORS AND OFFICERS

125. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Law or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Law.

MINUTES

126. (1) The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of officers;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.

(2) Minutes shall be kept by the Secretary at the Office.

SEAL

127. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word “Securities” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any

instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.

(2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

128. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

129. (1) The Company shall be entitled to destroy the following documents at the following times:

(a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;

(b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;

(c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;

(d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and

(e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

(2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

DIVIDENDS AND OTHER PAYMENTS

130. Subject to the Law and to these Articles and the Shareholders Agreement, the Company in general meeting or the Board may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

131. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. The Board may also declare and pay dividends out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

132. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

133. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

134. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

135. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

136. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

137. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

138. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may 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 parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

139. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

(b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for

allotment and distribution to and amongst the holders of the elected shares on such basis.

(2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank pari passu in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

(5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

140. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Law. The Company shall at all times comply with the provisions of the Law in relation to the share premium account.

(2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

141. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a

share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

142. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

143. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Law and the Shareholders Agreement:

(1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:

(a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Rights Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

(b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

(c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrantholder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:

(i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

(ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrantholders; and

(d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrantholder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrantholder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrantholder upon the issue of such certificate.

(2) Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

(3) The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrantholder or class of warrantholders under this Article without the sanction of a special resolution of such warrantholders or class of warrantholders.

(4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrantholders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrantholders and shareholders.

ACCOUNTING RECORDS

144. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

145. The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except (1) as conferred by Law or authorised by the Board or the Company in general meeting, or (2) in accordance with the Shareholders Agreement.

146. Subject to Article 145, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least ten (10) days before the date of the general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

147. Subject to due compliance with all applicable Statutes, rules and regulations and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 144 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

148. The requirement to send to a person referred to in Article 144 the documents referred to in that article or a summary financial report in accordance with Article 145 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, the Company publishes copies of the documents referred to in Article 144 and, if applicable, a summary financial report complying with Article 145, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

149. The Board may appoint an independent auditor to audit the accounts of the Company and such independent auditor shall hold office until the Board appoint another independent auditor.

150. Subject to the Law, the accounts of the Company shall be audited at least once in every year.

151. The remuneration of the Auditor shall be fixed by the Board or the Audit Committee.

152. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the

Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this act and name such country or jurisdiction.

NOTICES

153. Any Notice or document, whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. 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 and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

154. Any Notice or other document:

(a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

(c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the

Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and

(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

155. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered 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 or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

(2) A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

(3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

156. For the purposes of these Articles, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director in the terms in which it is received.

WINDING UP

157. (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

158. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the Members of the Company 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 pari passu amongst such Members in proportion to the amount paid up on the shares held by them respectively and (ii) 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, a 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.

(2) If the Company shall be wound up (whether the liquidation is voluntary or by the court), the liquidator may, with the authority of a special resolution and any other sanction required by the Law, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property 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 authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(3) In the event of winding-up of the Company in the People's Republic of China, every Member of the Company who is not for the time being in the People's Republic of China shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in the People's Republic of China and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

INDEMNITY

159. (1) The Directors, Secretary and other officers of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

(2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director or officer on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION
AND NAME OF COMPANY

160. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the Memorandum of Association or to change the name of the Company.

INFORMATION

161. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter 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 Directors it will be inexpedient in the interests of the members of the Company.

LIMITED INCORPORATION OF SHAREHOLDERS AGREEMENT

162. For the avoidance of doubt, for the purpose of interpreting these Articles, the terms of the Shareholders Agreement do not form part of these Articles except to the extent expressly incorporated by reference in these Articles.

THE COMPANIES LAW (REVISED)
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

SouFun Holdings Limited

(Adopted by special resolution passed on August 4, 2010)

NAME

1. The name of the Company is **SouFun Holdings Limited**.

REGISTERED OFFICE

2. The Registered Office of the Company shall be at the offices of Offshore Incorporations (Cayman) Limited, Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, KY1-1112. Cayman Islands.

GENERAL OBJECTS AND POWERS

3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:

(a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;

(b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and

enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (Revised).

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.

6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

LIMITATION OF LIABILITY

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

AUTHORISED CAPITAL

8. The authorized share capital of the Company is HK$600,000,000 divided into 50,767,426 Class A Ordinary Shares of a par value of HK$1.00 each and 25,298,329 Class B Ordinary Shares of a par value of HK$1.00 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 (Revised), this Memorandum 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 stated to be preference or otherwise shall be subject to the powers hereinbefore contained.

The Companies Law (Revised)
Company Limited by Shares

THE AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

SOUFUN HOLDINGS LIMITED
(Adopted by way of a special resolution passed on 4 August, 2010,
effective conditional and immediately upon commencement of trading
of the Company's American Depositary Shares
representing Class A Ordinary Shares
of the Company on the New York Stock Exchange)

INDEX

INTERPRETATION

TABLE A

1. The regulations in Table A in the Schedule to the Companies Law (Revised) do not apply to the Company.

INTERPRETATION

2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

WORD	MEANING
“Audit Committee”	the audit committee of the Company formed by the Board pursuant to Article 121 hereof, or any successor audit committee.
“Auditor”	the independent auditor of the Company which shall be an internationally recognized firm of independent accountants.
“Articles”	these Articles in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“Class A Ordinary Share”	a class A ordinary share of HK$1.00 in the capital of the Company.
“Class B Ordinary Share”	a class B ordinary share of HK$1.00 in the capital of the Company.

WORD	MEANING
“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction.
“Company”	SouFun Holdings Limited.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	the New York Stock Exchange.
“dollars” and “$”	dollars, the legal currency of the United States of America.
“Exchange Act”	the Securities Exchange Act of 1934, as amended.
“Hong Kong dollars” and “HK$”	Hong Kong dollars, the legal currency of The Hong Kong Special Administrative Region of The People’s Republic of China
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“NASD”	National Association of Securities Dealers.
“NASD Rules”	the rules set forth in the NASD Manual.

WORD	MEANING
"Notice"	written notice unless otherwise specifically stated and as further defined in these Articles.
"Office"	the registered office of the Company for the time being.
"ordinary resolution"	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than ten (10) clear days' Notice has been duly given;
"paid up"	paid up or credited as paid up.
"Register"	the principal register and where applicable, any branch register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
"Registration Office"	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
"SEC"	the United States Securities and Exchange Commission.
"Seal"	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
"Secretary"	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
"special resolution"	a resolution shall be a special resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy

WORD	MEANING
	at a general meeting of which not less than ten (10) clear days' Notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than sixty-six and two-thirds per cent. (66.66%) in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than ten (10) clear days' Notice has been given; a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.
"Statutes"	the Law and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its Memorandum of Association and/or these Articles.
"year"	a calendar year.

(2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

(a) words importing the singular include the plural and vice versa;

(b) words importing a gender include both gender and the neuter;

(c) words importing persons include companies, associations and bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive;

(ii) "shall" or "will" shall be construed as imperative;

(e) expressions referring to writing shall, unless the contrary intention appears,

be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable Statutes, rules and regulations;

(f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;

(g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;

(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

(i) Section 8 of the Electronic Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.

SHARE CAPITAL

3. (1) The share capital of the Company at the date on which these Articles come into effect shall be divided into 50,767,426 Class A Ordinary shares of a par value of HK$1.00 each and 25,298,329 Class B Ordinary Shares of a par value of HK$1.00.

(2) Subject to the Law, the Company's Memorandum and Articles of Association and, where applicable, the rules of the Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit.

(3) No share shall be issued to bearer.

(4) The Class A Ordinary Shares shall:

(a) entitle the holder to one vote per share;

(b) entitle the holder to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary

or involuntary or for the purpose of a reorganization or otherwise or for the purpose of a reorganization or otherwise or upon any distribution of capital, entitle to the surplus assets of the Company;

(d) generally entitle the holder to enjoy all of the rights attaching to the Class A Ordinary Shares.

(5) The Class B Ordinary Shares shall:

(a) entitle the holder to ten votes per share;

(b) entitle the holder to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or for the purpose of a reorganization or otherwise or upon any distribution of capital, entitle to the surplus assets of the Company;

(c) entitle the holder to convert such shares into Class A Ordinary Shares on a one to one (1:1) basis at any time upon delivery of written notice to the Board of Directors;

(d) upon any sale, pledge, transfer, assignment or disposition of Class B Ordinary Shares by a holder thereof to any person or entity which is not at any time a majority-owned and majority-controlled subsidiary of SouFun Holdings Limited, automatically convert into Class A Ordinary Shares (and, for the avoidance of doubt, at any time such subsequent holder ceases to be a majority-owned and majority-controlled subsidiary of SouFun Holdings Limited, the Class B Ordinary Shares held by such holder shall automatically convert into Class A Ordinary Shares; and

(f) generally entitle the holder to enjoy all of the rights attaching to the Class B Ordinary Shares.

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum of Association to:

(a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;

(b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(c) without prejudice to the powers of the Board under Article 12, divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that, for the avoidance of doubt, where a class of shares has been authorized by the Company no resolution of the Company in general meeting is required for the issuance of shares of that class and the Directors may issue shares of that class and determine such rights, privileges, conditions or restrictions attaching thereto as aforesaid, and further provided that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the

equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(e) 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 capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve in any manner permitted by law.

7. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. Subject to the provisions of the Law, the rules of the Designated Stock Exchange and the Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, and without prejudice to Article 12 hereof, any share in the Company (whether forming part of the present capital or not) may be

issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine, including without limitation on terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

9. Subject to the Law, any preferred shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its Memorandum of Association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Board, either generally or with regard to specific purchases. If purchases are by tender, tenders shall comply with applicable laws.

VARIATION OF RIGHTS

10. Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

(a) the necessary quorum (whether at a separate general meeting or at its adjourned meeting) shall be a person or persons (or in the case of a Member being a corporation, its duly authorized representative) together holding or representing by proxy not less than one-third in nominal value of the issued shares of that class;

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

(c) any holder of shares of the class present in person or by proxy or authorised representative may demand a poll.

11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking pari passu therewith.

SHARES

12. (1) Subject to the Law, these Articles and, where applicable, the rules of the

Designated Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, with the written consent of the holders of not less than 50.1% of the issued and outstanding Class B Ordinary Shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. In particular and without prejudice to the generality of the foregoing, the Board is hereby empowered to authorize by resolution or resolutions from time to time the issuance of one or more classes or series of preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series (but not below the number of shares of any class or series of preferred shares then outstanding) to the extent permitted by Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the preferred shares of any other class or series.

(2) Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any class or series of preferred shares, no vote of the holders of preferred shares of or ordinary shares shall be a prerequisite to the issuance of any shares of any class or series of the preferred shares authorized by and complying with the conditions of the Memorandum and Articles of Association.

(3) The Board may issue options, warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Law. Subject to the Law, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

14. Except as required by law, no person shall be recognised by the Company as

holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. Subject to the Law and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

19. Share certificates shall be issued within the relevant time limit as prescribed by the Law or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate

shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Article. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

(2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

21. 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 and on payment of such fee as the Company may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Board has determined that the original has been destroyed.

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

23. Subject to these Articles, the Company may sell in such manner as the Board determines any share 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, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in

or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred 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 relating to the sale.

CALLS ON SHARES

25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. 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 on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these

Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:

(a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and

(b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.

37. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

42. 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.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

(a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register; and

(c) the date on which any person ceased to be a Member.

(2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith. The Register and branch register(s) shall together be treated as the Register for the purposes of these Articles.

44. The Register and branch register of Members, as the case may be, shall be open to inspection for such times and on such days as the Board shall determine by Members without charge or by any other person, upon a maximum payment of US$2.50 or such other sum specified by the Board, at the Office or Registration Office or such other place at which the Register is kept in accordance with the Law. The Register including any overseas or local or other branch register of Members may, after compliance with any notice requirement of the Designated Stock Exchange , be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

RECORD DATES

45. For the purpose of determining the Members entitled to notice of or to vote at any general meeting, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board may fix, in advance, a date as the record date for any such determination of Members, which date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other such action.

If the Board does not fix a record date for any general meeting, the record date for determining the Members entitled to a notice of or to vote at such meeting shall be at the

close of business on the day next preceding the day on which notice is given, or, if in accordance with these Articles notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If corporate action without a general meeting is to be taken, the record date for determining the Members entitled to express consent to such corporate action in writing, when no prior action by the Board is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company by delivery to its head office. The record date for determining the Members for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of the Members of record entitled to notice of or to vote at a meeting of the Members shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

TRANSFER OF SHARES

46. Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or a central depository house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

(2) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

(3) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Law.

49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:-

(a) a fee of such maximum sum as the Designated 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;

(b) the instrument of transfer is in respect of only one class of share;

(c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Law or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

(d) if applicable, the instrument of transfer is duly and properly stamped.

50. If the Board refuses to register a transfer of any share, it shall, within three months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

51. The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of the Designated Stock Exchange, be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member 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. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 75(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers to be made in accordance with the requirements of, the Designated Stock Exchange of its intention to sell such shares in the manner

required by the Designated Stock Exchange, and a period of three months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "relevant period" means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

(3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser 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 relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

GENERAL MEETINGS

56. An annual general meeting of the Company shall be held in each year other than the year in which these Articles were adopted at such time and place as may be determined by the Board.

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held at such times and in any location in the world as may be determined by the Board.

58. (1) Subject to the provisions of paragraph (2) of this Article, only a majority of the Board or the Chairman of the Board may call extraordinary general meetings, which extraordinary general meetings shall be held at such times and locations (as permitted hereby) as such person or persons shall determine.

(2) General meetings shall also be convened on the requisition in writing of any Member or Members entitled to attend and vote at general meetings of the Company holding at least 20 percent of the paid up voting share capital of the Company deposited at the Office specifying the objects of the meeting for a date no later than 21 days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than 45 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene

the general meeting shall be reimbursed to them by the Company.

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting and any extraordinary general meeting may be called by not less than ten (10) clear days' Notice but a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than sixty-six and two-thirds per cent. (66.66%) in nominal value of the issued shares giving that right.

(2) The notice shall specify the time and place of the meeting and, in case of special business (as defined in Article 61), the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a Special Resolution shall specify the intention to propose the resolution as a Special Resolution. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of the followings which shall be deemed ordinary business:

(a) the declaration and sanctioning of dividends;

(b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet; and

(c) the election of Directors.

(2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. At any general meeting of the Company, two (2) Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing shares carrying a majority of the rights to vote of all rights of all shares entitled to attend and vote at the meeting throughout the meeting shall form a quorum for all purposes.

(3) Shareholders may participate in any general meeting 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.

62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. The chairman of the Company shall preside as chairman at every general meeting. If at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.

64. The chairman may 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 which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles (including, without prejudice to the generality of the foregoing, the rights of the Class B Ordinary Shares), at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house or a central depository house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by the chairman of such meeting or by any one Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting. A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the chairman to disclose the voting figures on a poll.

69. 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 in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.

70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

71. On a poll votes may be given either personally or by proxy.

72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

73. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

74. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting 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 in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.

(2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

76. No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

77. If:

(a) any objection shall be raised to the qualification of any voter; or

(b) any votes have been counted which ought not to have been counted or which

might have been rejected; or

(c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

78. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

79. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be

revoked.

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

82. 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 instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

83. Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member 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 at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) If a clearing house (or its nominee(s)) or a central depository entity, being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house or central depository entity (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house or a central depository entity (or its nominee(s)) including the right to vote individually on a show of hands.

(3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

NO ACTION BY WRITTEN RESOLUTIONS OF MEMBERS

85. Any action required or permitted to be taken at any annual or extraordinary general meetings of the Company may be taken only upon the vote of the Members at an annual or extraordinary general meeting duly noticed and convened in accordance with these Articles and the Law and may not be taken by written resolution of Members without a meeting.

BOARD OF DIRECTORS

86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). 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 thereafter in accordance with these Articles and shall hold office until their successors are elected or appointed.

(2) Subject to the Articles and the Law, the Company 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.

(3) 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. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

(4) 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.

(5) Subject to any provision to the contrary in these Articles, a Director may be removed by way of an ordinary resolution of the Members 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).

(6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) 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.

(7) The Company 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 two (2).

DISQUALIFICATION OF DIRECTORS

87. The office of a Director shall be vacated if the Director:

(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;

(2) becomes of unsound mind or dies;

(3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months and the Board resolves that his office be vacated; or

(4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(5) is prohibited by law from being a Director; or

(6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

88. The Board may from time to time appoint any one or more of its body to be the Chairman of the Board, 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 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.

89. Notwithstanding Articles 94, 95 and 96, an executive director appointed to an office under Article 88 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

90. Any Director may at any time by Notice delivered to the Office or head office 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 we were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office 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.

91. An alternate Director shall only be a Director for the purposes of the Law and shall only be subject to the provisions of the 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 Notice to the Company from time to time direct.

92. 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 absent from the People's Republic of China or otherwise 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.

93. 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

94. The Directors shall receive such remuneration as the Board may from time to time determine. Such remuneration shall be deemed to accrue from day to day.

95. 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.

96. 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.

DIRECTORS' INTERESTS

97. 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 or other officer of such a 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 **NASD Rules** 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 Company’s listing requirements, shall without the consent of the Audit Committee 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.

98. Subject to the 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 99 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 by Item 7.N of Form 20F promulgated by the SEC, shall require the approval of the Audit Committee.

99. 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 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.

100. 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 Designated 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

101. (1) 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 Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in 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.

(2) 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.

(3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

(a) 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.

(b) 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.

(c) 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.

102. 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.

103. 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.

104. 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.

105. 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.

106. (1) 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.

(2) 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

107. 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 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.

108. 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.

109. 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 Company, appointment of Directors and otherwise.

110. (1) 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.

(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the 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 Law in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

111. 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.

112. 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 president or chairman, as the case may be, or any Director.

113. (1) 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 two (2) of the Directors. 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.

(2) 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.

(3) 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.

114. 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, 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.

115. 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.

116. 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.

117. (1) 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.

(2) 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.

118. 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.

119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through 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.

120. 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.

AUDIT COMMITTEE

121. Without prejudice to the freedom of the Directors to establish any other committees, for so long as the shares of the Company (or depositary receipts therefor) are listed or quoted on the Designated Stock Exchange, the Board shall establish and maintain an Audit Committee as a committee of the Board, the composition and responsibilities of which shall comply with the **NASD Rules** and the rules and regulations of the SEC.

122. (1) The Board shall adopt a formal written audit committee charter and review and assess the adequacy of the formal written charter on an annual basis.

(2) The Audit Committee shall meet at least once every financial quarter, or more frequently as circumstances dictate.

123. For so long as the shares of the Company (or depositary receipts therefor) are listed or quoted on the Designated Stock Exchange, the Company shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee for the review and approval of potential conflicts of interest. Specially, the Audit Committee shall approve any transaction or transactions between the Company and any of the following parties: (i) any member owning an interest in the voting power of the Company or any subsidiary of the Company that gives such member significant influence over the Company or any subsidiary of the Company, (ii) any director or executive officer of the Company or any subsidiary of the Company and any relative of such director or executive officer, (iii) any person in which a substantial interest in the voting power of the Company is owned, directly or indirectly, by any person described in (i) or (ii) or over which such a person is able to exercise significant influence, and (iv) any affiliate (other than a subsidiary) of the Company.

OFFICERS

124. (1) The officers of the Company shall consist of the Chairman of the Board, the Directors and Secretary 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 Law and these Articles.

(2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one Director is proposed for this office, the election to such office shall take place in such manner as the Directors may determine.

(3) The officers shall receive such remuneration as the Directors may from time to time determine.

125. (1) 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.

(2) 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 Law or these Articles or as may be prescribed by the Board.

126. 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.

127. A provision of the 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.

REGISTER OF DIRECTORS AND OFFICERS

128. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Law or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Law.

MINUTES

129. (1) The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of officers;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.

(2) Minutes shall be kept by the Secretary at the Office.

SEAL

130. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word “Securities” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.

(2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

131. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

132. (1) The Company shall be entitled to destroy the following documents at the following times:

(a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;

(b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;

(c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;

(d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and

(e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

(2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

DIVIDENDS AND OTHER PAYMENTS

133. Subject to the Law, the Company in general meeting or the Board may from

time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

134. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. The Board may also declare and pay dividends out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

135. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

136. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

137. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

138. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

139. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be

sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

140. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

141. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may 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 parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

142. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

(b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the

elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

(2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank pari passu in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(4) The Board may on any occasion determine that rights of election and the

allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

(5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

143. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Law. The Company shall at all times comply with the provisions of the Law in relation to the share premium account.

(2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

144. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such

amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

145. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Law:

(1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:

(a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Rights Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

(b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

(c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrantholder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:

(i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

(ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrantholders; and

(d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrantholder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrantholder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto

as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrantholder upon the issue of such certificate.

(2) Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

(3) The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrantholder or class of warrantholders under this Article without the sanction of a special resolution of such warrantholders or class of warrantholders.

(4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrantholders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrantholders and shareholders.

ACCOUNTING RECORDS

147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

148. The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least ten (10) days before the date of the general meeting and laid before the Company at the annual general meeting held in accordance with

Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

152. Subject to applicable law and rules of the Designated Stock Exchange, the Directors shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Directors appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

153. Subject to the Law the accounts of the Company shall be audited at least once in every year.

154. The remuneration of the Auditor shall be fixed by the Board.

155. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and determine the remuneration of such Auditor.

156. The Auditor shall at all reasonable times have access to all books kept by the

Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

157. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this act and name such country or jurisdiction.

NOTICES

158. Any Notice or document, whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. 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 and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

159. Any Notice or other document:

(a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on

which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

(c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and

(d) may be given to a Member in the English language or such other language as may be approved by the Directors, subject to due compliance with all applicable Statutes, rules and regulations.

160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered 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 or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

(2) A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

(3) Any person who by operation of law, transfer or other means whatsoever

shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

161. For the purposes of these Articles, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director in the terms in which it is received.

WINDING UP

162. (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

163. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the Members of the Company 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 pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) 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, a 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.

(2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Law, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property 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 authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the

Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

164. (1) The Directors, Secretary and other officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

(2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND NAME OF COMPANY

165. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the Memorandum of Association or to change the name of the Company.

INFORMATION

166. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter 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 Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

REGISTRATION BY WAY OF CONTINUATION

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.

SouFun Holdings Limited

NAME AND ADDRESS OF SHAREHOLDER	CERTIFICATE NUMBER	DISTINCTIVE NUMBERS		PAR VALUE PAR SHARE
		FROM	TO	
[Specify]	*[Specify]*	*[Specify]*	*[Specify]*	HK$1.00

DATE OF ISSUE	NO. OF SHARES	CONSIDERATION PAID
[Specify]	*[Specify]*	HK$

SHARE CERTIFICATE

OF

SouFun Holdings Limited

INCORPORATED IN THE CAYMAN ISLANDS

Authorised Capital: HK$600,000,000 divided into 600,000,000 shares of a nominal or par value of HK$1.00 each

THIS IS TO CERTIFY THAT THE UNDERMENTIONED PERSON IS THE REGISTERED HOLDER OF THE SHARES SPECIFIED HEREUNDER SUBJECT TO THE RULES AND LAWS GOVERNING THE ADMINISTRATION OF THE COMPANY

SHAREHOLDER	NO. OF SHARES	DISTINCTIVE NUMBERS		CERTIFICATE NUMBER	DATE OF ISSUE
		FROM	TO		
[Specify]	*[Specify]*	*[Specify]*	*[Specify]*	*[Specify]*	*[Specify]*

GIVEN UNDER THE COMMON SEAL OF THE COMPANY ON THE DATE STATED ABOVE AND IN THE PERSENCE OF

DIRECTOR

DIRECTOR/SECRETARY

NO TRANSFER OF ANY OF THE ABOVE SHARES CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS CERTIFICATE

Dated 31 August 2006

TELSTRA INTERNATIONAL HOLDINGS LIMITED

and

TIANQUAN MO

and

THE SEVERAL PERSONS NAMED IN PART A OF SCHEDULE 2

and

SOUFUN HOLDINGS LIMITED

SHAREHOLDERS' AGREEMENT

IN RELATION TO

SOUFUN HOLDINGS LIMITED

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SHAREHOLDERS' AGREEMENT

This Agreement is made on 31 August 2006 **between:**

(1) **Telstra International Holdings Limited**, whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda ("**Telstra**");

(2) **Tianquan Mo**, of 4/F Tower B, COFCO Plaza, No 8 Jianguomennei Avenue, Beijing 100005, PRC ("**Vincent Mo**");

(3) **The several persons named in Part A of Schedule 2**; and

(4) **SouFun Holdings Limited**, whose registered office is at Codan Trust Company (Cayman) Limited, Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies (the "**Company**").

Recitals:

(A) Telstra, Trader Mauritius, the Continuing Shareholders and others have entered into a share purchase agreement dated 31 August 2006 (the "**Share Purchase Agreement**") and other Transaction Documents, under which Trader Mauritius and each of the Continuing Shareholders have agreed to transfer certain of their respective shares and other securities (where applicable) in the Company to Telstra.

(B) Upon completion of the Share Purchase Agreement, the shareholders of the Company shall be Telstra and the Continuing Shareholders.

(C) The Parties have agreed to enter into this Agreement to regulate the management and control of the Company and the operation of the Business on the terms and conditions set out herein.

It is agreed as follows:

1 Interpretation

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

In this Agreement, unless the context otherwise requires, the capitalised and other terms used in this Agreement shall have the meanings ascribed to them in Part A of Schedule 1.

1.2 Interpretation

In this Agreement, unless the context otherwise requires, the rules of interpretation set out in Part B of Schedule 1 shall apply.

2 The Business of the Company

2.1 Conduct of the Business

The Shareholders agree that their respective rights in the Company shall be regulated by this Agreement and the Articles. The Shareholders and the Company agree to be bound by and comply with the provisions of this Agreement which relate to them and all provisions of the

Articles will be enforceable by the Parties between themselves in whatever capacity. Subject to applicable laws and the Articles, the Shareholders shall:

2.1.1 promote the best interests of the Company;

2.1.2 ensure that the Company performs and complies with all relevant laws and regulations and (so far as they lawfully can) all of its obligations under this Agreement and the Articles; and

2.1.3 ensure that the business of the Group is conducted in accordance with sound and good business practice and the highest ethical standards and in accordance with the Business Plan.

2.2 Promotion of the Business

2.2.1 Except as otherwise provided in this Agreement, the business of the Group shall be confined to the Business.

2.2.2 The Company and each Group Company shall use all reasonable and proper means to maintain, improve and extend the business in accordance with the Business Plan and the terms of this Agreement.

2.3 CEO and CFO

2.3.1 The CEO immediately following Closing shall be Vincent Mo. Subject to Clauses 3.5.7(i) and 3.5.7(ii), each subsequent CEO shall be nominated by the Chairman and approved by the Board.

2.3.2 If the Vincent Mo Shareholding Proportion ceases to be 15 per cent. or more as a result of one or more transfers by Vincent Mo or the Vincent Mo Shareholders, Vincent Mo may be removed as CEO in accordance with this Agreement.

2.3.3 The CFO immediately following Closing shall be Li-Lan Cheng. Subject to Clauses 3.5.7(i) and 3.5.7(ii), each subsequent CFO shall be nominated by the Chairman and approved by the Board.

2.4 Principal executive office

The principal executive office of the Company is situated at Suite 401-419, Level 4, Tower B, COFCO Plaza, No 8 Jianguomennei Avenue, Beijing 100005, PRC.

2.5 Financial year

The financial year of the Company and each Group Company shall commence on 1 January of a calendar year and end on 31 December of the following calendar year.

3 The Board and Board committees

3.1 Telstra Directors

3.1.1 Subject to Clauses 3.4.3 and 13.2, Telstra may appoint 3 persons as Telstra Directors.

3.1.2 Any Telstra Director may be removed by Telstra in accordance with the Articles, in which case the Shareholders shall procure that the Company promptly removes the Telstra Director from his or her position. Telstra can appoint any person as a Telstra Director in place of any Telstra Director who vacates his or her office.

3.2 Vincent Mo Directors

3.2.1 Subject to Clause 3.4.3, Vincent Mo may appoint 3 persons as Vincent Mo Directors.

3.2.2 Any Vincent Mo Director may be removed by Vincent Mo in accordance with the Articles, in which case the Shareholders shall procure that the Company promptly removes the Vincent Mo Director from his or her position. Vincent Mo can appoint any person as a Vincent Mo Director in place of any Vincent Mo Director who vacates his or her office.

3.3 Chairman

3.3.1 The Chairman immediately following Closing shall be Vincent Mo. Subject to Clause 3.5.7(i), each subsequent Chairman shall be appointed by the Board. If the Chairman or his duly appointed proxy is not present at any Board meeting, the Directors present may appoint any one of their number to act as chairman for the purpose of that meeting.

3.3.2 For the period of 24 months following Closing, Vincent Mo may only be removed as Chairman in accordance with this Agreement if any one of the following events occurs:

(i) Vincent Mo commits an act of serious and material misconduct;

(ii) Vincent Mo commits or causes to be committed a serious or persistent breach of any material term of this Agreement or the Management Agreement whether directly or indirectly, and which is not capable of remedy or, if capable of remedy, is not remedied within the period in which the breach is required to be remedied by the terms of the foregoing agreements;

(iii) the Group fails to achieve an increase in its consolidated net profit for each of the 12-month periods ending 30 June 2007 or 30 June 2008 by 60 per cent. or more compared with the consolidated net profit for the 12-month period ending 30 June 2006 (on an annual compounding basis), which shall be calculated on the basis of the audited consolidated profit and loss statements of the Group for each of the 12 months ending 30 June 2007 and 30 June 2008 respectively and the consolidated profit and loss statements of the Group for the 12 months ending 30 June 2006 initialled by Telstra and the Chairman for the purposes of identification; or

(iv) the Vincent Mo Shareholding Proportion ceases to be 15 per cent. or more as a result of one or more transfers by Vincent Mo or the Vincent Mo Shareholders.

3.4 Shareholder consultation and approval for appointments

3.4.1 A Shareholder who wishes to make an appointment of a Director in accordance with this Agreement shall take reasonable steps to ensure that its nominee is able to perform his duties competently.

3.4.2 Each Shareholder who wishes to make an appointment of a Director in accordance with this Agreement after the commencement of this Agreement shall give notice to the other Shareholders of the name, qualifications and experience of its nominee and intended date of appointment at least 28 Business Days prior to the intended date of appointment.

3.4.3 Immediately following Closing, the Board shall comprise 3 Directors appointed by Telstra and 3 Directors appointed by Vincent Mo. Subject to Clause 13.3, if the Shareholders agree to a change in the number of Directors, they shall ensure that the number of Directors remain an even number and the right to appoint Directors shall be allocated between Telstra and Vincent Mo in the same proportions as provided for in Clause 3.1.1 and Clause 3.2.1 (and Clauses 3.1.1 and 3.2.1 shall be varied accordingly) and the Shareholders shall procure the Company to pass a resolution to give effect to the change in the number of Directors in accordance with the Articles.

3.5 Board Meetings

3.5.1 Board meetings shall be held in Beijing, PRC, or Hong Kong and at a minimum of 3-monthly intervals. A Board meeting may be convened by Vincent Mo or any Telstra Director. At least one month's written notice shall be given to each of the Directors of all Board meetings (except if there are exceptional circumstances or a majority of Directors agree to shorter notice).

3.5.2 No later than 5 Business Days before the scheduled date of a Board Meeting, a further notice shall be given to the Directors which shall:

(i) specify a reasonably detailed agenda;

(ii) be accompanied by any relevant papers; and

(iii) be sent by courier, facsimile or electronic transmission if sent to an address outside the PRC.

3.5.3 The quorum at a Board meeting shall be one Telstra Director and Vincent Mo (or his proxy duly appointed in accordance with the Articles) present at the time when the relevant business is transacted. If a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the Director(s) present shall adjourn the meeting to a specified place and time five Business Days after the original date. If a quorum is not present within an hour of the time appointed for the adjourned meeting, the quorum shall be deemed to be satisfied by any two Directors then present at the meeting. 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.

3.5.4 Any notice(s) referred to in Clauses 3.5.1, 3.5.2 or 3.5.3 shall be given by the secretary of the Company.

3.5.5 Board meetings shall be chaired by the Chairman or his proxy duly appointed in accordance with the Articles.

3.5.6 Subject to Clause 3.5.7, Clause 3.5.9 and any applicable laws, the following matters relating to the Group shall be decided by the Board:

(i) subject to Clause 3.3, the appointment or dismissal of the Chairman;

(ii) subject to Clauses 2.3.1 and 2.3.3, (a) the dismissal or approval of the appointment of the CEO and the termination of (including the amount of any

compensation payable upon termination) or any amendment or variation to the Management Agreement and (b) the approval of the appointment or the dismissal of the CFO and the termination of or any amendment or variation to the CFO's employment agreement (if any);

(iii) any change in the share capital of the Company or, to the extent it causes a change in the total share capital of the Group, of any other Group Company or the creation, allotment or issue of any shares or of any other security or the grant of any option or rights to subscribe for or to convert any instrument into shares or securities in a Group Company;

(iv) any reduction of the share capital of the Company or, to the extent it causes a change in the total share capital of the Group, of any other Group Company or variation of the rights attaching to any class of shares in any Group Company;

(v) the disposal or the creation of an Encumbrance over or the dilution of the Company's interests (to the extent it causes a change in the total share capital of the Group), directly or indirectly, in any Group Company;

(vi) subject to Clause 4.2, adoption of and approval of any deviations from the Business Plan, proposed in accordance with Clause 4.1;

(vii) any acquisitions and divestments by any Group Company (by merger, de-merger, division or otherwise) of any material assets, share capital, equity interests or other securities in or debt instruments issued by any body corporate, or of any businesses or undertakings other than between 100 Percent Associated Companies of the Company;

(viii) the cessation by any Group Company of any material business operation;

(ix) any material change to the nature, scope or geographical area of the Business or carrying on any business other than the Business;

(x) the borrowing of any amount or the creation of any charge or other security over any assets or property of any Group Company other than between 100 Percent Associated Companies of the Company;

(xi) the making of any loan or advance by any Group Company to any person, firm, body corporate or other business other than in the normal course of business and on an arm's length basis, or to a 100 Percent Associated Company of the Company;

(xii) any expenditure by any Group Company in one transaction or in a series of related transactions exceeding US$1 million in any 12-month period;

(xiii) the payment or declaration of any dividend or the making of any profit distribution by the Company and the formulation of or amendment to any policy in relation thereto;

(xiv) the entry into or variation, termination or enforcement of any right under any agreement or transaction between a Group Company and (a) any other Group Company that is not a 100 Percent Associated Company of the Company, (b) any Shareholder, (c) any Controller, (d) any Associated Company of a Shareholder, (e) any Licence Company, or (f) any shareholder, director or

employee of any Group Company or any of the foregoing companies (other than, in the case of such a director or employee, any agreement for his engagement or employment with the Company or relating to his engagement or employment with the Company, unless the terms of this clause otherwise require); and

(xv) the exercise of any other powers granted to the Board under this Agreement, the Articles or any applicable laws.

Where any matter listed in this Clause 3.5.6 is required by any applicable law to be approved by the shareholders or by a general meeting of the Company, the Board's powers in this respect shall be to approve the putting of a resolution on the matter to a vote by a general meeting of the Company.

3.5.7 At any Board meeting, each Director shall be entitled to one vote and the Chairman (or his proxy duly appointed in accordance with the Articles) shall have a casting vote, subject to the following:

(i) subject to Clause 3.5.7(ii), on any matter specified in Clauses 3.5.6(i) and 3.5.6(ii), the Telstra Directors present collectively and the Vincent Mo Directors present collectively shall be entitled to the number of votes in the Respective Proportions of their respective nominating Shareholders (where, for the avoidance of doubt, the Chairman shall not have any casting vote);

(ii) for so long as Vincent Mo is the Chairman, Vincent Mo shall have the exclusive right to appoint the CEO and the CFO and each of the Telstra Directors and Vincent Mo shall have a right of veto;

(iii) on any of the matters specified in Clauses 3.5.6(iii) to (xiv) (inclusive), each Telstra Director shall have a right of veto (except where Telstra's Respective Proportion becomes less than 40 per cent. as a result of one or more transfers by Telstra or where any other Shareholder, together with any other Shareholder Controlled by such Shareholder, has a larger Respective Proportion than Telstra), provided that where one or more Telstra Director exercise(s) his right of veto, the Chairman or his duly appointed proxy shall not have any casting vote; and

(iv) as otherwise provided in this Agreement.

3.5.8 Each Shareholder shall use its reasonable endeavours to ensure that at least one Director appointed by it attends Board meetings.

3.5.9 Any specific matter expressly provided for in sufficient detail in the Business Plan or Transitional Business Plan (as applicable), including but not limited to the matters listed in Clauses 3.5.6(iii) to (xiv) (inclusive), shall be deemed to be approved by the Board. The Chairman shall be responsible for the management of the Company and for implementing decisions of the Board. The Chairman shall have the right to make decisions in accordance with the Articles on any matters that are not listed in Clauses 3.5.6(i) to (xiv) (inclusive) and/or that are described in sufficient detail in the Business Plan or Transitional Business Plan (as applicable).

3.5.10 The Company shall procure that each Group Company acts strictly in accordance with and carries out all decisions of the Board. The Company, acting through the Board,

shall ensure that it has the power under the articles of association of each other Group Company (or equivalent document) to perform its obligations under this Clause and, where necessary, shall cause the articles of association of a Group Company (or equivalent document) to be duly amended to grant this power to the Company.

3.6 Committees of Directors

3.6.1 The Board may constitute committees of Directors.

3.6.2 The quorum for Board committee meetings shall be the same as for Board meetings.

3.6.3 As at Closing:

(i) there shall be an Audit Committee which must have one Telstra Director and one Vincent Mo Director as members. The Audit Committee shall review the Audited Accounts and discuss with the Auditors the accounting policies to be adopted;

(ii) there shall be a Compensation Committee which must have one Telstra Director and one Vincent Mo Director as members. The Compensation Committee shall decide the compensation for the Directors, Chairman, CEO, CFO and President (or Chief Operating Officer) of the Company; and

(iii) the Nomination Committee existing prior to Closing shall be dissolved with immediate effect.

4 Business Plan and financial information

4.1 Information to be prepared

The CEO shall prepare, or cause to be prepared, and shall submit to the Board and the Shareholders the following information as soon as possible and no later than the dates/times set out below:

4.1.1 the unaudited results of the Company and all Group Companies for the previous financial year within 25 Business Days of the end of each financial year;

4.1.2 Audited Accounts or audited consolidation returns for the previous financial year within three months of the end of each financial year;

4.1.3 a draft Business Plan for the Group for the following three years, 45 days prior to the end of each financial year;

4.1.4 any proposed deviation from the Business Plan at any time the CEO deems such deviation appropriate;

4.1.5 monthly unaudited management accounts in English including (1) a detailed profit and loss statement, balance sheet and cash flow statement; (2) an analysis of subscriptions and other revenue; (3) a review of the budget contained in the Business Plan including a reconciliation of results with revenue and capital budgets; and (4) number of staff, within 20 Business Days following the end of each month, and for the months of June and December such information shall be provided on an entity-by-entity basis as soon as possible to enable Telstra to comply with its reporting and disclosure obligations; and

4.1.6 any further information as any Shareholder may reasonably require relating to the Business or financial condition of the Company or of any Group Company, within 20 Business Days of the Shareholder making the request.

4.2 Approval of Business Plans

4.2.1 The Board shall decide whether or not to approve the draft Business Plan within 30 Business Days of receiving it.

4.2.2 If the draft Business Plan is not approved by the Board in accordance with Clauses 3.5.6(vi), 3.5.7 and 4.2.1, the CEO shall resubmit new versions of the draft Business Plan to the Board for approval and the Telstra Directors present collectively and the Vincent Mo Directors present collectively shall be entitled to the number of votes in the Respective Proportions of their respective nominating Shareholders (where, for the avoidance of doubt, the Chairman shall not have any casting vote).

4.2.3 In the event that a new Business Plan has not been approved by the end of the then current financial year, the Company shall be managed by the CEO in accordance with an Operating Budget starting after the end of such financial year. An "**Operating Budget**" shall mean, for any month, the operating budget for the immediately preceding month.

4.3 Transitional Business Plan

The Parties agree that, until the first Business Plan is approved by the Board in accordance with Clauses 3.5.6(vi), 3.5.7 and 4.2, the business of the Group shall be conducted in accordance with the Transitional Business Plan.

4.4 Integration

Each Shareholder agrees to perform or procure the performance of the obligations imposed on it, any of its Associated Companies and any Group Company in the integration plan set out in Schedule 7.

4.5 KPMG audit

The Company shall procure that KPMG complete the audit of the management accounts of the Company for the period ended 30 June 2006 as soon as practicable after Closing.

5 Distribution policy

5.1 Distribution of net profit

5.1.1 The annual general meeting of the Company at which Audited Accounts are laid before the Shareholders must be held as soon as practicable but not later than 4 months after the end of the relevant financial year.

5.1.2 The Auditors shall be instructed to report (at the expense of the Company) the amount of the profits available for distribution by the Company at the same time as they sign their report on the Audited Accounts.

5.1.3 The Company shall each year distribute to the Shareholders a percentage as the Board determines of all of the Company's profits lawfully available for distribution of the then most recently ended financial year subject to the Board making reasonable

provisions and transfers to reserves and retaining adequate funds for the Company's planned cash outflows and capital expenditure as set out in the Business Plan.

5.1.4 Each Group Company (excluding the Company) shall distribute to its shareholders all of its available profits in each financial year unless otherwise determined by the Board.

5.2 Conditions for distribution of net profit

Distribution of profits in accordance with this Clause 5 may not be made if the Board resolves that the distribution is materially prejudicial to the interests of any Group Company having regard to:

5.2.1 implementation of the investment programme approved by the Board in the Business Plan or otherwise;

5.2.2 the trading prospects of the Company and the Group; and

5.2.3 the need to maintain the sound financial standing of the Group.

6 Transfers of Shares

6.1 General prohibition against Share transfers

No Shareholder can do, or agree to do, any of the following without the prior written consent of the other Shareholders, unless it is permitted by this Clause 6, Clause 7 or Clause 8:

6.1.1 pledge, mortgage, charge or otherwise Encumber any of its Shares or any interest in any of its Shares;

6.1.2 sell, transfer or otherwise dispose of, or grant any option over, any of its Shares or any interest in its Shares; or

6.1.3 enter into any agreement in respect of the votes attached to any of its Shares.

6.2 Transfers to Associated Companies

6.2.1 Any Shareholder may transfer all or some of its Shares to any 100 Percent Associated Company by giving prior written notice to the other Shareholders. A 100 Percent Associated Company must be under an obligation to retransfer its Shares to the Shareholder or another 100 Percent Associated Company of that Shareholder immediately if it ceases to be a 100 Percent Associated Company of the Shareholder.

6.2.2 Following a transfer of Shares to a 100 Percent Associated Company in accordance with this Clause 6.2, the original transferring Shareholder (but not a subsequent transferor in a series of transfers to 100 Percent Associated Companies) shall guarantee, as sole or principal obligor to the Parties, the due and punctual performance by the transferee of all obligations, commitments and undertakings under or pursuant to this Agreement (and each Transaction Document to which the original transferring Shareholder is a party and to which the transferee accedes).

6.2.3 Where not all of the Shares held by the original transferring Shareholder (but not a subsequent transferor in a series of transfers) are transferred to its 100 Percent Associated Company:

(i) the transferring Shareholder must be granted the exclusive right to exercise votes in respect of each Share transferred on behalf of the transferee;

(ii) this Agreement and the Articles shall apply as if the transferring Shareholder and the transferee are one Shareholder;

(iii) all the rights of the transferee under this Agreement and the Articles shall be exercised exclusively by the transferring Shareholder;

(iv) any notice given by the transferring Shareholder under the Agreement or the Articles shall be deemed also to be given by the transferee; and

(v) any notice required to be given to the transferee shall be given also to the transferring Shareholder.

6.3 Notice of Offers

If (a) a Shareholder receives a bona fide offer in writing from any party other than a 100 Percent Associated Company of that Shareholder ("**Shareholder Level Offeror**") to purchase all or some of that Shareholder's Shares (a "**Shareholder Level Offer**"), or (b) Vincent Mo receives a bona fide offer in writing from any party other than a 100 Percent Associated Company of Vincent Mo ("**Controller Level Offeror**") to purchase all of the Vincent Mo's equity interests in both Vincent Mo Shareholders (a "**Controller Level Offer**"), (both a Shareholder Level Offer and a Controller Level Offer, an "**Offer**" and both a Shareholder Level Offeror and a Controller Level Offeror, an "**Offeror**") which it wishes to accept, it shall immediately give written notice (the "**Transfer Notice**") to the other Shareholders (the "**Remaining Shareholders**") offering to sell, in the case of a Shareholder Level Offer, those Shares which are the subject of the Shareholder Level Offer or, in the case of a Controller Level Offer, all the Shares of the Vincent Mo Shareholders (in each case "**Offer Shares**") to the other Shareholders (or where the Remaining Shareholder is Telstra, any person or entity nominated by Telstra) at the same cash price or cash price-equivalent (which in the case of a Controller Level Offer, shall be the cash price or cash price-equivalent for the Vincent Mo's equity interests in the Vincent Mo Shareholders representing the value attributable to the Shares held by the Vincent Mo Shareholders) as set out in the Offer, and on terms which are no less favourable than those contained in the Offer. The Transfer Notice shall also state:

6.3.1 the period within which the offer to sell the Offer Shares to the Remaining Shareholders shall remain open to be accepted. This period must be at least 30 Business Days from the date of the Transfer Notice (the "**Acceptance Period**");

6.3.2 the identity of the Offeror;

6.3.3 in the case of a Shareholder Level Offer, the number of Shares of the Selling Shareholder for which the Offer is made and, where the selling Shareholder is the Vincent Mo Shareholders or Telstra in the circumstances specified in Clause 6.4.2 the number of Shares which a Remaining Shareholder which issues a Tag-Along Notice is entitled to sell; and

6.3.4 full details of all other terms and conditions of the Offer and where the selling Shareholder is the Vincent Mo Shareholders or Telstra in the circumstances specified in Clause 6.4.2, that the Offer is made for all of the Shares of any Remaining Shareholder who issues a Tag-Along Notice.

Unless as permitted under this Clause 6, Vincent Mo shall not sell, transfer or otherwise dispose of, grant any option over, Encumber, any of its shares in any Vincent Mo Shareholder or any interest in any of these shares and shall not enter into any agreement in respect of the

votes attached to any of these shares. For the avoidance of doubt, an Offeror under this Clause may be a Shareholder other than the selling Shareholder.

6.4 Options of Remaining Shareholders

Once a Remaining Shareholder has received a Transfer Notice it may either:

6.4.1 send a written notice to the selling Shareholder (an "**Acceptance Notice**") within the Acceptance Period accepting the selling Shareholder's offer set out in the Transfer Notice; or

6.4.2 in the case of a Shareholder Level Offer, where the selling Shareholder is:

(i) the Vincent Mo Shareholders (to the extent that Vincent Mo is the Chairman or the CEO of the Company); or

(ii) Telstra, where at the date of the Transfer Notice Telstra Controls the Company,

send a written notice to the selling Shareholder (a "**Tag-Along Notice**") within the Acceptance Period declining the offer set out in the Transfer Notice and accepting the Offeror's Offer, subject to the delivery of an Acceptance Notice by any other Remaining Shareholder.

If a Remaining Shareholder neither sends an Acceptance Notice nor a Tag-Along Notice, it shall be deemed not to have accepted the selling Shareholder's offer set out in the Transfer Notice, and where the selling Shareholder is the Vincent Mo Shareholders or Telstra in the circumstances described in Clause 6.4.2, any Offer by an Offeror.

6.5 Consequences of Transfer Notice

6.5.1 If the selling Shareholder's offer set out in the Transfer Notice is accepted, then upon the expiry of the Acceptance Period, the selling Shareholder must sell the Offer Shares to each Remaining Shareholder (or where the Remaining Shareholder is Telstra, its nominee) who has accepted the selling Shareholder's offer, in the proportion which the Respective Proportion of that Remaining Shareholder bears to the total Respective Proportions of all the Remaining Shareholders who have accepted the offer. If any Tag-Along Notice has also been issued, the Shareholder who has issued the Tag-Along Notice must sell its Shares to each Remaining Shareholder (or where the Remaining Shareholder is Telstra, its nominee) who has accepted the selling Shareholder's offer, in the proportion which the Respective Proportion of that Remaining Shareholder bears to the total Respective Proportions of all of the Remaining Shareholders who have accepted the offer.

6.5.2 If the selling Shareholder's offer set out in the Transfer Notice is not accepted or deemed not to have been accepted by any Remaining Shareholder and a Tag-Along Notice has not been issued, the selling Shareholder or Vincent Mo (as the case may be) must upon the expiry of the Acceptance Period accept the Offer and in the case of a Shareholder Level Offer, the selling Shareholder must sell the Offer Shares to the Offeror on the terms and conditions of the Offer and in the case of a Controller Level Offer, Vincent Mo shall sell its equity interests in the Vincent Mo Shareholders, and where a Tag-Along Notice has been issued, any Remaining Shareholder who has issued the Tag-Along Notice must sell its Shares to the Offeror on the terms and conditions of the Offer.

6.6 Completion of transfer

The sale of Shares in accordance with this Clause 6 shall be made on the following terms:

6.6.1 completion of the transfer of the Shares shall be completed 10 Business Days after the date of expiry of the Acceptance Period or the date of satisfaction or waiver of all Permitted Conditions (whichever is the later) (the "**Transfer Date**") and at a reasonable time and place as the selling Shareholder(s) and the buyer may agree or, failing which, at the registered office of the Company;

6.6.2 the selling Shareholder(s) must deliver to the buyer in respect of the Shares which it is selling on or before the Transfer Date:

(i) duly executed share transfer forms;

(ii) the relevant share certificates; and

(iii) a power of attorney in favour of any person or entity as the buyer may nominate to enable that person or entity to exercise all rights of ownership in respect of the Shares to be sold including voting rights;

6.6.3 the buyer must pay the total consideration due for the Shares to the selling Shareholder(s) by telegraphic transfer to the bank account of the selling Shareholder(s) notified to it for the purpose on the Transfer Date;

6.6.4 the completion of the sale of the Shares of all selling Shareholder(s) must take place simultaneously; and

6.6.5 in accordance with Clause 9.

6.7 Failure to complete sale

6.7.1 If any selling Shareholder fails or refuses to transfer any Shares in accordance with this Clause 6, the buyer or where the buyer is not a Party, the Company on its behalf and acting on its instructions may serve a default notice. Within five Business Days of service of a default notice (unless the non-compliance has previously been remedied to the reasonable satisfaction of the buyer), the defaulting selling Shareholder shall not exercise any of its powers or rights in relation to management of, and participation in the profits of, the Company under this Agreement, the Articles or otherwise. The Directors appointed by the defaulting seller (or its predecessor in title) shall not:

(i) be entitled to vote at any Board meeting;

(ii) be required to attend any meeting of Directors in order to constitute a quorum; or

(iii) be entitled to receive or request any information from the Company.

6.7.2 Without prejudice to any other rights or remedies which a Party may have, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this Clause 6.7 and the remedies of injunction, specific performance and other equitable relief are appropriate for any actual or anticipatory breach of this provision and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 6.7.

7 Termination of Management Agreement

7.1 Sell Right

7.1.1 If the Management Agreement is terminated by the Company and the Company has not at that time completed an IPO, the Company shall promptly advise each Shareholder in writing of the termination. Each Continuing Shareholder shall, subject to this Clause 7, have the right (the "**Sell Out Right**") to require Telstra to purchase (or, at Telstra's sole discretion, to procure the purchase of) all of the Shares held by the Continuing Shareholder, provided that the Sell Out Right can be exercised not earlier than six months after the termination.

7.1.2 The Sell Out Right is exercisable in whole but not in part by written notice from a Continuing Shareholder to Telstra (the "**Sell Out Notice**") given at any time during a period of 20 Business Days from the date the Sell Out Right first becomes exercisable under Clause 7.1.1 (the "**Sell Out Period**"). No Continuing Shareholder may exercise its Sell Out Right, unless all Vincent Mo Shareholders exercise their respective Sell Out Rights. No Vincent Mo Shareholder may exercise a Sell Out Right unless all other Vincent Mo Shareholders exercise their Sell Out Rights.

7.2 Exercise

7.2.1 Where all Vincent Mo Shareholders have exercised their respective Sell Out Rights, Telstra shall within a period of 20 Business Days following the expiry of the Sell Out Period or when all Sell Out Notices are received, whichever is earlier, inform each Continuing Shareholder which has delivered a Sell Out Notice in writing (the "**Telstra Notice**") of its decision to carry out any one of the following:

(i) purchase or nominate a third party to purchase the Shares which are the subject of the Sell Out Notice for an amount equal to the Fair Value of the Shares (the "**Sell Out Price**"); or

(ii) procure a trade sale of the Company to any bona fide, unrelated third party arm's length buyer(s).

7.2.2 If the Telstra Notice contains an election under Clause 7.2.1(i), the relevant Continuing Shareholder shall sell and Telstra or a buyer nominated by Telstra shall purchase the relevant Shares which are the subject of the Sell Out Notice in accordance with Clause 7.3.1.

7.2.3 If the Telstra Notice contains an election under Clause 7.2.1(ii), and no formal and binding agreement has been executed with any third party buyer(s) for the trade sale of the Company within a period of six months of the Telstra Notice, then within seven days following the expiry of that six-month period, each Continuing Shareholder who has given a Sell Out Notice shall sell and Telstra or a buyer nominated by Telstra shall purchase the relevant Shares which are the subject of the Sell Out Notice in accordance with Clause 7.3.1.

7.2.4 A Sell Out Notice shall be irrevocable and unconditional except for any Permitted Condition.

7.2.5 The Shareholders shall fully cooperate and provide all reasonable assistance to Telstra if an election is made under Clause 7.2.1(ii).

7.3 Completion of transfer

7.3.1 The sale and purchase of Shares in accordance with Clause 7.2.2 (or Clause 7.2.3 where no formal and binding agreement with any third party buyer(s) has been executed) shall be made on the following terms:

(i) completion of the transfer of the Shares shall be completed seven Business Days after the date of determination of the Fair Value of the Shares or the date of the satisfaction or waiver of all Permitted Conditions, whichever is the later (the "**Sell Out Date**") at a reasonable time and place that the Shareholders may agree or, failing which, at the registered office of the Company;

(ii) the selling Shareholder shall deliver to Telstra in respect of the Shares on or before the Sell Out Date:

(a) duly executed share transfers forms; and

(b) the relevant share certificates; and

(c) a power of attorney in favour of any person or entity as the buyer may nominate to enable that person or entity to exercise all rights of ownership in respect of the Shares including voting rights; and

(iii) Telstra shall pay the Sell Out Price to the selling Shareholder by telegraphic transfer to the bank account of the selling Shareholder notified to Telstra for the purpose on the Sell Out Date; and

(iv) in accordance with Clause 9.

7.3.2 If a formal and binding agreement is executed with third party buyer(s) for the trade sale of the Company within the six-month period referred to in Clause 7.2.3, all Shareholders shall, upon Telstra's request in writing, sell their Shares to the third party buyer(s) on the terms of the formal and binding agreement and the sale and purchase of Shares to the third party buyer(s) shall be made on the terms of the relevant sale agreement executed with the third party buyer(s). The completion of the sale of the Shares of all selling Shareholders must take place simultaneously.

8 Default

8.1 Events of Default

A Shareholder (the "**Defaulting Shareholder**") suffers an Event of Default where one or more of the following occurs:

8.1.1 it or its Controller commits a material breach of this Agreement and either (1) the breach is not capable of being remedied or (2) the Defaulting Shareholder does not remedy that breach within 45 calendar days of the other Shareholder sending it written notice requiring it to remedy that breach;

8.1.2 a Licence Company Controlled by the Defaulting Shareholder or by the Defaulting Shareholder's Controller commits a material breach of any agreement between it and a Group Company and either (1) the breach is not capable of being remedied or (2) the Licence Company does not remedy that breach within 45 calendar days of the Group Company sending it written notice requiring it to remedy that breach;

8.1.3 it is unable to pay its material debts as they fall due, suspends making payments on any of its debts;

8.1.4 the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities) provided that it becomes subsequently bankrupt;

8.1.5 any corporate action, legal proceedings or other procedure or step is taken (or any analogous procedure or step is taken in any jurisdiction) in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation of any of its Associated Companies;

(ii) a composition, assignment or arrangement with any creditor;

(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of any of its Associated Companies), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any of its assets; or

8.1.6 enforcement of any security over any of its assets.

For the purposes of this Clause 8.1, a "**Controller**" of a Defaulting Shareholder shall mean a person or entity who Controls the Defaulting Shareholder by virtue of the person or entity (solely or collectively with any Immediate Family Member) directly or indirectly, legally or beneficially, owning 100 per cent. of the voting securities of the Defaulting Shareholder.

8.2 Notification of Default

If an Event of Default occurs, the Defaulting Shareholder shall notify the other Shareholders as soon as reasonably practicable.

8.3 Default Notice

8.3.1 Following an Event of Default, without prejudice to any rights or remedies it may have under Clause 10, a non-defaulting Shareholder may give written notice (a "**Default Notice**") to the Defaulting Shareholder(s) within 60 Business Days of receiving notification of the Event of Default from the Defaulting Shareholder(s) or of its becoming aware of the Event of Default, whichever is the earlier requiring the Defaulting Shareholder(s) to sell all of the Shares held by the Defaulting Shareholder(s) (the "**Default Sale Shares**") to the non-defaulting Shareholder or any person or entity nominated by the Defaulting Shareholder at a price per Share equal to the Fair Value of the Sale Shares.

8.3.2 Where more than one non-defaulting Shareholder issue a Default Notice, the Default Sale Shares shall be sold to each of the non-defaulting Shareholders (other than a Vincent Mo Shareholder where the other Vincent Mo Shareholder is the Defaulting Shareholder), in the proportion which the Respective Proportion of that non-defaulting Shareholder bears to the total Respective Proportions of all the non-defaulting Shareholders who have issued a Default Notice.

8.4 Completion of transfer

The completion of the sale of the Default Sale Shares pursuant to this Clause 8.4 shall be made in accordance with Clauses 6.6 and 6.7, save that for the purposes of this Clause 8.4, the "Acceptance Period" shall be the 60 Business Day period referred to in Clause 8.3.1.

8.5 Period between Default Notice and transfer

The Shareholders shall do all things within their power to ensure that the Business is continued to be run as a going concern during the period between the service of the Default Notice and the completion of the transfer of the Default Sale Shares.

8.6 Failure to complete transfer

If any Defaulting Shareholder fails or refuses to transfer any Shares in accordance with this Clause 8, the non-defaulting Shareholder may serve a further default notice. Within 5 Business Days of service of the further default notice, the Defaulting Shareholder shall not exercise any of its powers or rights in relation to management of, and participation in the profits of, the Company under this Agreement, the Articles or otherwise. The Directors appointed by the Defaulting Shareholder (or its predecessor in title) shall not:

8.6.1 be entitled to vote at any Board meeting;

8.6.2 be required to attend any meeting of Directors in order to constitute a quorum; or

8.6.3 be entitled to receive or request any information from the Company.

9 Terms and consequences of transfers of Shares

9.1 Notices

The Shareholders shall keep the Company informed at all times of the issue and contents of any notice served in relation to the transfer of Shares pursuant to this Agreement (including without limitation a Transfer Notice, Tag-Along Notice, Sell Out Notice or Default Notice) and any election or acceptance relating to those notices.

9.2 Transfer terms

Any sale and/or transfer of Shares pursuant to this Agreement shall be on terms that those Shares:

9.2.1 are transferred free from all Encumbrances; and

9.2.2 are transferred with the benefit of all rights attaching to them as at the date of the relevant Transfer Notice, Tag-Along Notice, Sell Out Notice or Default Notice as appropriate.

9.3 Registration

The Parties shall procure that a transfer of Shares is not approved for registration unless this Agreement and Articles have been complied with. The Company shall procure that each share certificate issued by it shall carry the following statement:

"Any disposition, transfer, charge of or dealing in any other manner in the Shares represented by this certificate is restricted by a Shareholders' Agreement dated [ ] and made between [ ]".

9.4 Waiver of pre-emption rights

The Shareholders waive their pre-emption rights to the transfer of Shares contained in this Agreement and the Articles to the extent necessary to give effect to Clause 6, Clause 7 and Clause 8.

9.5 Further assurance

Each Party shall do all things and carry out all acts which are reasonably necessary to effect the transfer of Shares in accordance with the terms of this Agreement in a timely fashion.

9.6 Return of documents, etc.

On ceasing to be a Shareholder, a Shareholder must hand over to the Company material correspondence, Business Plans, schedules, documents and records relating to the Business held by it or a Controller or an Associated Company of the Shareholder or any third party which has acquired them through that Shareholder, Controller or an Associated Company and shall not keep any copies.

9.7 Loans, borrowings, guarantees and indemnities

9.7.1 Upon a transfer of all the Shares held by a Shareholder:

(i) the remaining Shareholders shall procure that all loans, borrowings and indebtedness in the nature of borrowings outstanding owed by the Company to a transferring Shareholder (together with any accrued interest) are either assigned to each of the remaining Shareholders for a value as may be agreed between the transferring Shareholder and all the remaining Shareholders and in the proportion which the Respective Proportion of that remaining Shareholder bears to the total Respective Proportions of all the remaining Shareholders, or failing agreement with all the remaining Shareholders, are repaid by the Company;

(ii) all loans, borrowings and indebtedness in the nature of borrowings outstanding owed by that transferring Shareholder to the Company shall be repaid; and

(iii) the remaining Shareholders shall use all reasonable endeavours (but without involving any financial obligation on their part) to procure the release of any guarantees, indemnities, security or other comfort given by the transferring Shareholder to or in respect of the Company or its Business and, pending the release, shall indemnify the transferring Shareholder in respect of them.

9.7.2 Any assumption of the obligations of a transferring Shareholder by the remaining Shareholders is without prejudice to the rights of the remaining Shareholders and/or the Company to claim from the transferring Shareholder in respect of liabilities arising prior to the completion date of the transfer of Shares.

9.8 Assumption of obligations

The Parties shall procure that no person other than an existing Shareholder acquires any Shares (other than in an IPO) unless it enters into a Deed of Adherence agreeing to be bound by this Agreement as a Shareholder and any other agreements in connection with the Business as a Shareholder.

9.9 Removal of appointees

9.9.1 If a Shareholder ceases to be a Shareholder it shall immediately upon transfer of its Shares procure the resignation of all its appointees to the Board and as Director, Chairman and CEO and to the Board of directors of each Group Company. If the remaining Shareholders request, it shall do all things and sign all documents as may otherwise be necessary to procure the resignation or dismissal of these persons from their appointments in a timely manner. If Telstra or a Vincent Mo Shareholder ceases to be a Shareholder, immediately upon transfer of its Shares and resignation of all its appointees in accordance with this Clause, Clauses 3.5.7(i) and (ii) shall cease to have any further force and effect. For the purposes of this Clause, an appointee of a Vincent Mo Shareholder shall include any Vincent Mo Director and Vincent Mo in whatever capacity.

9.9.2 Those resignations shall take effect without any liabilities on the Company for compensation for loss of office or otherwise except to the extent that the liability arises in relation to a service contract with a Director who was acting in an executive capacity. Any Shareholder removing a Director appointed by it shall fully indemnify and hold harmless the other Shareholders and the Company from and against any claim for unfair or wrongful dismissal arising out of such removal.

9.10 Power of Attorney

9.10.1 Telstra irrevocably appoints each Vincent Mo Shareholder and each Vincent Mo Shareholder irrevocably appoints Telstra, by way of security for the performance of any such appointing Party's obligations owed to any such other Party under Clauses 6, 7 and 8, its attorney to execute, deliver and/or issue any necessary document, agreement, certificate and instrument required to be executed by the appointing Party in discharge of its obligations to the other Party under the provisions of Clauses 6, 7 and 8 where the other Party has exercised an Acceptance Notice, Tag-Along Notice, Sell Out Notice or Default Notice, solely in respect of any transfer of shares or other documents which may be necessary to transfer title to the Shares required by Clauses 6, 7 and 8.

9.10.2 Without prejudice to Clause 9.10.1, each of the Shareholders irrevocably appoints the Company by way of security for the performance of the appointing Shareholder's obligations owed to each other Shareholder under Clauses 6, 7 and 8, its attorney to execute, deliver and/or issue any necessary document, agreement, certificate and instrument required to be executed by the appointing Shareholder in discharge of its obligations to the other Shareholder under the provisions of Clauses 6, 7 and 8 where the other Shareholder has exercised an Acceptance Notice, Tag-Along Notice, Sell Out Notice or Default Notice, solely in respect of any transfer of shares or other documents which may be necessary to transfer title to the Shares required by Clauses 6, 7 and 8.

9.10.3 After the relevant buyer has been registered as holder of the shares being sold in purported exercise of powers under Clause 9.10.1 or Clause 9.10.2, the validity of the proceedings shall not be questioned by any person.

9.10.4 The purchase monies shall, to the extent that they are not delivered to the selling party on or before the appropriate completion date, bear interest against the purchasing

party at the rate of 2 per cent. over LIBOR calculated on a daily basis from that date until the selling party is reimbursed by the other party.

9.11 Change of name

If a Shareholder ceases to be a Shareholder and the corporate name of the Company or any Group Company contains any word the same or similar to the corporate name or any distinctive part of the corporate name of that Shareholder, the remaining Parties shall procure that the corporate name of the Company or any Group Company shall be changed to exclude that word within 30 days of the Shareholder ceasing to be a Shareholder.

10 Rights in relation to Licence Companies

10.1 Right to acquire interests

10.1.1 If any of the following events occur:

(i) any Shareholder who Controls a Licence Company or whose Controller Controls a Licence Company becomes obliged to transfer or to offer to transfer all of its Shares to any other Shareholder(s) under the terms of this Agreement or otherwise (including without limitation by the issue of a Transfer Notice by that Shareholder in relation to all its Shares or by the issue of a Default Notice to that Shareholder);

(ii) a Continuing Shareholder who Controls a Licence Company or whose Controller Controls a Licence Company ceases to be a Shareholder of the Company; or

(iii) in relation to any Licence Company Owner:

(a) it commits a material breach of this Agreement and either (1) the breach is not capable of being remedied or (2) it does not remedy that breach within 45 calendar days of any Shareholder sending it written notice requiring it to remedy that breach;

(b) any Licence Company in which it has an equity interest commits a material breach of any agreement between it and a Group Company and either (1) the breach is not capable of being remedied or (2) the Licence Company does not remedy that breach within 45 calendar days of the Group Company sending it written notice requiring it to remedy that breach;

(c) it or any Licence Company Owner who Controls the same Licence Company in which it has an equity interest is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its material debts;

(d) the value of its assets or of any Licence Company Owner who Controls the same Licence Company in which it has an equity interest is less than its liabilities (taking into account contingent and prospective liabilities) provided that it becomes subsequently bankrupt;

(e) any corporate action, legal proceedings or other procedure or step is taken (or any analogous procedure or step is taken in any jurisdiction) in

relation to it or any other Licence Company Owner who Controls the same Licence Company in which it has an equity interest:

(I) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);

(II) a composition, assignment or arrangement with any creditor;

(III) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any of its assets; or

(IV) enforcement of any security over any of its assets; or

(f) it or any other Licence Company Owner who Controls the same Licence Company in which it has an equity interest is subject to any change of Control; or

(g) where the Licence Company Owner is a natural person or any other Licence Company Owner who Controls the same Licence Company in which it has an equity interest is a natural person, any such natural person:

(I) is incapacitated as a result of illness, disability or death; or

(II) becomes bankrupt or is subject to any analogous proceedings (whether voluntary or otherwise).

then without prejudice to any other rights the Company or the Shareholders may have pursuant to this Agreement, the Articles or otherwise, any Shareholder may by notice in writing to the Company require the Company to, and all Shareholders shall procure the Company through exercising their rights as shareholders of the Company and through their appointed Directors (if any) to vote in favour of the Company undertaking to, purchase or procure any person or entity nominated by the Company to purchase all Licence Company Interests and/or SouFun FITE Interests and/or SouFun FIAE Interests held by the relevant Licence Company Owner or Licence Company (as the case may be) for consideration not exceeding the Outstanding Loan Amounts relating to that Licence Company by issuing a Licence Company Notice. Neither of Vincent Mo nor a Vincent Mo Director may vote on any resolution relating to the exercise of the pre-emptive right by the Company.

10.1.2 The sale of Licence Company Interests in accordance with this Clause 10.1 shall be made on the following terms:

(i) completion of the transfer of the Licence Company Interests shall be completed seven Business Days after the date of the Licence Company Notice or the date of satisfaction or waiver of all Permitted Conditions (whichever is the later) and at a reasonable time and place as the buyer and the Licence Company Owner may agree;

(ii) at completion of the transfer, the Licence Company Owner shall:

(a) deliver to the buyer in respect of the equity interests which it is selling, a power of attorney in favour of any person or entity as the buyer may nominate to enable that person or entity to exercise all rights of ownership in respect of the equity interests to be sold including voting rights;

(b) execute an amended articles of association of the Licence Company to reflect the transfer; and

(c) procure the registration of the buyer as an equity interest holder on the register of equity interest holders in the Licence Company;

(iii) as soon as practicable following completion of the transfer, the Licence Company Owner shall procure the registration of the buyer as an equity interest holder in the Licence Company with the State Administration for Industry and Commerce;

(iv) in accordance with this Clause 10.1.

10.1.3 Any sale and/or transfer of Licence Company Interests pursuant to this Clause 10.1 shall be on terms that those equity interests:

(i) are transferred free from all Encumbrances save for the Pledges and subject to Clause 10.1.4(ii); and

(ii) are transferred with the benefit of all rights attaching to them as at the date of the Licence Company Notice.

10.1.4 Each Party shall, and shall procure any person or entity shall, execute all documents and do all acts and things that are reasonably necessary to effect the transfer of Licence Company Interests in accordance with the terms of this Agreement in a timely fashion, including without limitation that:

(i) each Pledgee under a Pledge over Licence Company Interests to be transferred under this Clause 10.1, shall waive its rights to the extent necessary to give effect to the transfer and shall consent to the transfer;

(ii) the buyer of the Licence Company Interests to be transferred under this Clause shall agree that the Licence Company Interests shall be pledged to each Pledgee referred to in Clause 10.1.4(i) on the same terms and conditions as the existing Pledge; and

(iii) the Company shall waive and shall procure any relevant Group Company to waive its rights under the Call Option Agreements relating to the Licence Company Interests to be transferred under this Clause 10.1 to the extent necessary to give effect to the transfer and shall consent to the transfer.

Without limiting the generality of the foregoing, the Company shall procure that each Pledgee shall execute all documents and do all acts and things that are necessary to give effect to this Clause 10.1.4 and each Shareholder shall procure that any Directors appointed by it shall vote in favour of any resolutions of the Board that are necessary to give effect to this Clause 10.1.4.

10.1.5 Each of the Licence Company Owners irrevocably appoints the Company by way of security for the performance of their respective obligations under this Clause 10.1, its attorney to execute, deliver and/or issue any necessary document, agreement, certificate and instrument required to be executed by it under the provisions of this Clause 10.1, including any transfer of equity interests or other documents which may be necessary to transfer title to the Licence Company Interests required by this Clause 10.1. After the relevant buyer has been registered as holder of the equity interests being sold in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

10.2 Rights in relation to assets of Telecommunications Licence Companies

10.2.1 Subject to the obtaining of all necessary regulatory clearances, consents, approvals and permissions and Board approval as provided in Clause 10.2.5 below, Telstra shall have the right to, by written notice to the other Parties, require the other Parties to give effect to any of the following arrangements in relation to any one or more of the Telecommunications Licence Companies as specified in the written notice:

(i) the Company and/or Telstra or any Associated Company of Telstra as it nominates ("**Telstra FITE Investor**") shall establish one or more foreign-invested telecommunications enterprises jointly with any one or more of the Telecommunications Licence Companies or any one or more of the Continuing Shareholders and their Associated Companies, in which case:

(a) the SouFun FITE shall apply for and obtain any Licence held and/or applied for by each relevant Telecommunications Licence Company or any other Licences specified by Telstra; and

(b) each relevant Telecommunications Licence Company shall transfer to the SouFun FITE any part or all of their business and undertakings (including without limitation rights under customer contracts) and/or their rights and obligations under any technical consultancy and service agreements, operating agreements, trade mark licence agreements, domain name licence agreements, and any similar or related agreements between that Telecommunications Licence Company and any Group Company for consideration not exceeding the Outstanding Loan Amounts relating to that Licence Company (in each case at the sole discretion of Telstra as to the rights, obligations, businesses and undertakings to be transferred and as to whether there shall be any variation or amendment to the terms of the agreements to which the rights and obligations relate); or

(ii) the Company and/or Telstra FITE Investor shall acquire Licence Company Interests in each relevant Telecommunications Licence Company for consideration not exceeding the Outstanding Loan Amounts relating to that Licence Company and shall, jointly with that Telecommunications Licence Company, do all things necessary to convert that Telecommunications Licence Company into a foreign-invested telecommunications enterprise and each SouFun FITE shall continue to carry on the businesses and undertakings of the relevant Telecommunications Licence Company, subject to any variation or amendments Telstra may require to be effected in relation to those businesses

and undertakings and/or to the terms of any technical consultancy and service agreements, operating agreements, trade mark licence agreements, domain name licence agreements, and any similar or related agreements between that Telecommunications Licence Company and any Group Company,

and in each case the Company and/or the Telstra FITE Investor shall have the right to hold up to the maximum equity interest (as specified by Telstra) permitted by PRC laws and regulations in the SouFun FITE taking into consideration the business to be operated by the SouFun FITE in accordance with Clauses 10.2.1(i)(b) and 10.2.1(ii) (as the case may be);

10.2.2 Each Party shall, and shall procure any person or entity shall, execute all documents and do all acts and things that are necessary to procure that the arrangements in Clause 10.2.1 are successfully given effect to, including without limitation, that:

(i) each Pledgee under a Pledge over Licence Company Interests to be transferred under Clause 10.2.1(ii), shall waive its rights to the extent necessary to give effect to the transfer and shall consent to the transfer;

(ii) the buyer of the Licence Company Interests to be transferred under this Clause shall agree that the Licence Company Interests shall be pledged to each Pledgee referred to in Clause 10.2.2(i) on the same terms and conditions as the existing Pledge; and

(iii) the Company shall waive and shall procure any relevant Group Company to waive its rights under the Call Option Agreements relating to the Licence Company Interests to be transferred under Clause 10.2.1(ii) to the extent necessary to give effect to the transfer and shall consent to the transfer.

Without limiting the generality of the foregoing, the Company shall procure that each Pledgee shall execute all documents and do all acts and things that are necessary to give effect to this Clause 10.2.2 and each Shareholder shall procure that any Directors appointed by it shall vote in favour of any resolutions of the Board that are necessary to give effect to this Clause 10.2.2.

10.2.3 The Shareholders shall, upon Telstra's request in writing and at Telstra's sole discretion, cause the Company to carry out one or more feasibility studies into the arrangements contemplated in this Clause 10.2, the expenses and costs of which shall be borne by the Company.

10.2.4 Telstra may by notice in writing require that the Company and the Licence Company Owners discuss with Telstra in good faith a timetable to put in place the arrangements contemplated in this Clause 10.2.

10.2.5 For the avoidance of doubt, the rights under Clause 10.2.1 may be exercised by Telstra at any time in whole or in part and on one or more occasions after the Board has considered and approved the undertaking of the arrangements in this Clause 10.2 in a Board meeting (with each Director having a veto right), and are not subject to the commencement, completion or outcome of any feasibility study conducted pursuant to Clause 10.2.3. If the outcome of the feasibility study is viable, Vincent Mo agrees to support in a timely manner the undertaking of the arrangements in this Clause 10.2 , to the extent that such undertaking does not materially and adversely affect the Group.

10.3 Rights in relation to assets of Advertising Licence Companies

10.3.1 Subject to the obtaining of all necessary regulatory clearances, consents, approvals and permissions and Board approval as provided in Clause 10.3.3 below, Telstra shall have the right to, at any time in its sole discretion, by written notice to the other Parties, require the other Parties to give effect to any of the following arrangements in relation to any one or more of the Advertising Licence Companies as specified in the written notice:

(i) the Company and/or Telstra or any Associated Company of Telstra as it nominates ("**Telstra FIAE Investor**") shall establish one or more foreign-invested advertising enterprises at its discretion solely or jointly with any one or more of the Advertising Licence Companies or any one or more of the Continuing Shareholders and their Associated Companies, in which case:

(a) the SouFun FIAE shall apply for and obtain any Advertising Licence held and/or applied for by each relevant Advertising Licence Company or any other Licences specified by Telstra; and

(b) each relevant Advertising Licence Company shall transfer to the SouFun FIAE any part or all of their business and undertakings (including without limitation rights under customer contracts) and/or their rights and obligations under any technical consultancy and service agreements, operating agreements, trade mark licence agreements, domain name licence agreements, and any similar or related agreements between that Advertising Licence Company and any Group Company for consideration not exceeding the Outstanding Loan Amounts relating to that Licence Company (in each case at the sole discretion of Telstra as to the rights, obligations, businesses and undertakings to be transferred and as to whether there shall be any variation or amendment to the terms of the agreements to which the rights and obligations relate); or

(ii) the Company and/or Telstra FIAE Investor shall acquire Licence Company Interests in each relevant Advertising Licence Company for consideration not exceeding the Outstanding Loan Amounts relating to that Licence Company and shall, jointly with that Advertising Licence Company (where not all of the Licence Company Interests are acquired by the Company and/or Telstra FIAE Investor), do all things necessary to convert that Advertising Licence Company into a foreign-invested advertising enterprise and each SouFun FIAE shall continue to carry on the businesses and undertakings of the relevant Advertising Licence Company, subject to any variation or amendments Telstra may require to be effected in relation to those businesses and undertakings and/or to the terms of any technical consultancy and service agreements, operating agreements, trade mark licence agreements, domain name licence agreements, and any similar or related agreements between that Advertising Licence Company and any Group Company,

and in each case the Company and/or the Telstra FIAE Investor shall have the right to hold up to the maximum equity interest (as specified by Telstra) permitted by PRC laws and regulations in the SouFun FIAE.

10.3.2 Each Party shall, and shall procure any person or entity shall, execute all documents and do all acts and things that are necessary to procure that the arrangements in Clause 10.3.1 are successfully given effect to, including without limitation, that:

(i) each Pledgee under a Pledge over Licence Company Interests to be transferred under Clause 10.3.1(ii), shall waive its rights to the extent necessary to give effect to the transfer and shall consent to the transfer;

(ii) the buyer of the Licence Company Interests to be transferred under this Clause shall agree that the Licence Company Interests shall be pledged to each Pledgee referred to in Clause 10.3.2(i) on the same terms and conditions as the existing Pledge; and

(iii) the Company shall waive and shall procure any relevant Group Company to waive its rights under the Call Option Agreements relating to the Licence Company Interests to be transferred under Clause 10.3.1(ii) to the extent necessary to give effect to the transfer and shall consent to the transfer.

Without limiting the generality of the foregoing, the Company shall procure that each Pledgee shall execute all documents and do all acts and things that are necessary to give effect to this Clause 10.3.2 and each Shareholder shall procure that any Directors appointed by it shall vote in favour of any resolutions of the Board that are necessary to give effect to this Clause 10.3.2.

10.3.3 For the avoidance of doubt, the rights under Clause 10.3.1 may be exercised by Telstra at any time in whole or in part and on one or more occasions after the Board has considered and approved the undertaking of the arrangements in this Clause 10.3 in a Board meeting (with each Director having a veto right) . Vincent Mo agrees to support in a timely manner the undertaking of the arrangements in this Clause 10.3, to the extent that such undertaking does not materially and adversely affect the Group.

11 Employee compensation plan

11.1 Generally

The Shareholders shall procure that the Company shall, with effect from Closing, abolish the Employee Stock Option Plan (without prejudice to any options already issued under any such plan as at Closing) and shall implement an employee compensation plan under which each employee of the Company who is a member of the plan shall receive either:

11.1.1 a quantity of units which shall entitle the member to benefits equivalent to the fair value of a quantity of shares in the Company (in accordance with a predetermined formula), but which shall not entitle the member to shares, rights to shares or any other legal or beneficial interest in the Company or the right to vote at any shareholder meeting of the Company; or

11.1.2 a class of shares which shall entitle the member to a share of any available profits distributed by the Company to its shareholders and a cash payment reflecting the capital value of the shares (both in accordance with a predetermined formula) but which shall not entitle the member to any other legal or beneficial interest in the Company or the right to vote at any shareholder meeting of the Company, and which

shall convert into ordinary shares on a pari passu basis, which may be sold into an IPO immediately prior to the IPO.

The objective of the plan shall be to provide each member of the plan with the same economic benefit as if such member was the owner of Shares in the Company under an employee stock option plan. The terms of, entitlements under and criteria for participation in the plan or to the preference shares shall be determined by a unanimous decision of the Compensation Committee. Each Shareholder shall procure that any Directors appointed by it shall vote in favour of any resolutions of the Board or any Board committee that are necessary to give effect to this Clause 11.

11.2 Employee Share Repurchases

From time to time, the Chairman of the Company may authorise the Company to make limited repurchases or redemptions of options and/or shares of employees of the Company provided that the following conditions are satisfied:

11.2.1 the aggregate cumulative amount paid to employees for all such repurchases or redemptions must not exceed US$4 million, unless having otherwise been approved by the Board (and notwithstanding anything in this Agreement, each Telstra Director shall have a right of veto);

11.2.2 any repurchase or redemption shall not materially adversely affect the operations of the Group;

11.2.3 the consideration payable for any repurchase or redemption shall be determined on the basis of the Company having an enterprise valuation of not more than US$400 million, and in the case of repurchase or redemption of options, the consideration shall be the amount by which the value of the shares (as if the options were exercised, and determined as a proportion of the enterprise valuation of the Company) exceeds the exercise price of the options. Any repurchase or redemption at any valuation of the Company in excess of US$400 million shall first be approved by the Board (and notwithstanding anything in this Agreement, each Telstra Director shall have a right of veto); and

11.2.4 the Chairman cannot authorise a repurchase or redemption of any Shares held by him or any entity Controlled by him.

12 Enforcement of rights

12.1 Rights of the Company

If at any time the Company: (1) wishes to enforce or exercise any right under; or (2) has any claim against or is the subject of a claim by any Controller or any one or more of the Shareholders and their respective Associated Companies in respect of:

12.1.1 this Agreement;

12.1.2 any other Transaction Document to which it is a party;

12.1.3 any other agreement or deed to which that Controller, Shareholder or Associated Company of a Shareholder is also a party; or

12.1.4 any obligation owed to the Company or another Group Company by any Controller, Shareholder or Associated Company of a Shareholder,

that matter shall be dealt with on behalf of the Company by a committee of the Directors appointed by the other Shareholders not involved in the claim (which for the purposes of this Clause 12, in the case of a claim involving a Controller, shall mean the other Shareholders not Controlled by that Controller). The provisions of this Clause 12 do not prejudice to the right of any Party to dispute any claim to which it relates. For the purposes of this Clause 12, the Continuing Shareholders other than IDG shall be considered to be one Shareholder.

12.2 Authority of committee

The committee of Directors appointed under this Clause 12 has full authority to exercise rights on behalf of the Company.

12.3 Rights of Shareholders

12.3.1 The Shareholder involved in the claim (which for the purposes of this Clause 12, in the case of a claim involving a Controller shall mean the Shareholder Controlled by that Controller) shall be entitled to attend and speak at any general meeting of the Company in relation to this claim but shall not vote at the meeting.

12.3.2 The Directors appointed by the Shareholder involved in the claim shall be entitled to attend and speak at any Board meeting or any Board committee meeting in relation to this claim but shall not vote at the meeting.

12.3.3 No general meeting of the Company or Board meeting at which a resolution in relation to this claim proposed shall be inquorate by virtue of the absence of the Shareholder involved in the claim or of the Director(s) appointed by it.

13 IPO

13.1 IPO

At any time after the date which is 12 months after Closing, and provided that, at the relevant time, the Vincent Mo Shareholding Proportion is at least 15 per cent., Vincent Mo has the right to cause the Company to effect the registration of the Company's ordinary shares under the Securities Act (by filing a registration statement on a confidential basis), or the listing of the Company's ordinary shares in a jurisdiction outside the United States pursuant to an IPO in accordance with applicable laws, regulations and exchange listing rules, provided that the IPO must be completed prior to 31 December 2011 and on the following conditions:

13.1.1 subject to Clause 13.7 below, each Continuing Shareholder may sell its Shares into the IPO pro rata based on its Respective Proportion with respect to any other Continuing Shareholder proposing to sell its Shares into the IPO; provided that any Vincent Mo Shareholder may only sell its Shares during the IPO to the extent that the Vincent Mo Shareholding Proportion continues to be at least 15 per cent. immediately after the IPO;

13.1.2 Telstra shall be entitled to maintain its voting rights as a shareholder at 51 per cent. on a fully diluted and as converted basis (including without limitation conversion of any rights issued under any Company employee compensation plan) immediately after the IPO in accordance with Clause 13.2 below; provided that Telstra's Respective

Proportion immediately before the IPO shall be at least 51 per cent. on a fully diluted and as converted basis (including without limitation conversion of any rights issued under any Company employee compensation plan) and Telstra shall not have sold into the IPO (whether or not through the exercise of its registration rights under Clause 13.7) or otherwise reduced, or agreed to reduce, its shareholding prior to exercising its rights under this Clause 13.1.2;

13.1.3 Telstra shall be entitled at its discretion to hold its Shares issued pursuant to the IPO or otherwise, as shares in the Company and not in the form of depositary receipts; and

13.1.4 "**Telstra's Respective Proportion**" for the purposes of this Clause 13.1 only means the proportion of Shares held by Telstra as a percentage of total fully diluted share capital of the Company other than issued share capital comprising all Shares and all options, warrants, rights and other securities (as if they have been fully exercised, converted or exchanged into Shares), which have been issued by the Company in the period between Closing and the IPO in respect of any Company employee compensation plan.

13.2 Adjustments

13.2.1 At the sole discretion of Vincent Mo but subject to Clause 13.2.2, Clause 13.1.2 above shall be implemented through:

(i) the reclassification of ordinary shares registered in the name of Telstra immediately prior to the closing of the IPO into a new class of shares having substantially the same rights and preferences as those of the ordinary shares of the Company except with weighted voting rights, which new class of shares shall not be sold or transferred by Telstra to any third party without either the prior written consent of Vincent Mo or the prior conversion of such shares into ordinary shares with standard voting rights (which conversion shall not require the consent of Vincent Mo); or

(ii) subject to applicable laws and the Articles in effect immediately after the closing of the IPO, the redemption by the Company of a portion of the Shares held by the Continuing Shareholders and the employees of the Company at the valuation of the Company immediately pre-IPO plus the amount of gross proceeds received by the Company in the IPO, which Shares to be redeemed shall be allocated (i) pro rata among the Continuing Shareholders based on their Respective Proportion immediately prior to the closing of the IPO and (ii) as determined by Vincent Mo, among the employees; or

(iii) a combination of the above.

13.2.2 If none of the mechanisms contemplated in Clause 13.2.1 (i), (ii) or (iii) are achievable, the Parties agree to discuss in good faith prior to the IPO an alternative mechanism to successfully implement Clause 13.1.2.

13.3 Board appointment

Telstra shall have the right to, immediately prior to the IPO, appoint a majority of the Directors, subject to the applicable listing rules of the relevant exchange and each Shareholder shall do and procure any Directors appointed by it to do all things necessary to give effect to this clause.

13.4 Consultation

13.4.1 Vincent Mo shall notify the other Shareholders in writing no later than 12 weeks prior to making any filing or application for an IPO made pursuant to Clause 13.1.

13.4.2 Subject to the provisions of this Agreement, including, without limitation, those under Clauses 6 and 7, each Continuing Shareholder agrees that, prior to making any filing or application for the purposes of seeking an IPO, it shall discuss with Telstra in good faith possible arrangements under which Telstra may acquire that Continuing Shareholder's Shares to facilitate the Continuing Shareholder's objectives in seeking an IPO.

13.5 Undertaking by Shareholders

If the Company undertakes, or any Shareholder takes steps to procure the Company to undertake, to publicly offer or list its Shares for trading under an IPO (whether under this Clause 13 or otherwise), each Shareholder shall use all reasonable efforts to assist and cooperate with the Company to apply for and obtain approvals from the relevant authorities and stock exchanges to successfully procure an IPO of the Company, including without limitation furnishing information regarding itself and the Shares held by it, execute all necessary consents and other documents and perform, or cause to be performed, any other acts necessary or advisable in connection with the IPO.

13.6 Effect upon IPO

If an IPO occurs, immediately upon the listing of Shares for trading pursuant to the IPO this Agreement (save for Clause 13.7 and subject to Clause 16.3), shall automatically terminate and the Articles shall be amended as necessary to comply with the applicable listing rules of the relevant exchange.

13.7 Registration Rights

13.7.1 Applicability of Rights

The Shareholders shall be entitled to the following rights with respect to any potential public offering of the Company's ordinary shares in the United States and shall be entitled to reasonably analogous or equivalent rights with respect to any other offering of the Company's securities in any other jurisdiction in which the Company undertakes to publicly offer or list such securities for trading on a recognised securities exchange.

13.7.2 Definitions

For purposes of this Clause13.7:

(i) The terms "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing a registration statement which is in a form which complies with, and is declared effective by the SEC (as defined below) in accordance with, the Securities Act.

(ii) The term "**Registrable Securities**" shall mean the ordinary shares of the Company held by the Shareholders.

(iii) The term "**Holder**" shall mean any person owning or having the rights to acquire Registrable Securities or any permitted assignee of record of such Registrable Securities.

(iv) The term "**Registration Expenses**" shall mean all expenses incurred by the Company in complying with this Clause 13.7, including, without limitation, all registration and filing fees, printing expenses, fees, and disbursements of counsel for the Company, and reasonable fees and disbursements of counsel for the Holders.

(v) The term "**Selling Expenses**" shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to this Clause 13.7.

13.7.3 Piggyback Registrations

(i) Registration. The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (other than a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities), and shall afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(ii) Underwriting. If a registration statement under which the Company gives notice under Clause 13.7.3(i) is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Clause 13.7.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected by the Company for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the total number of shares of Registrable Securities then

held by each such Holder, and third, to holders of other securities of the Company; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that the number of Registrable Securities included in any such registration is not reduced below thirty per cent. (30%) of the aggregate number of shares of Registrable Securities for which inclusion has been requested, unless such offering is the IPO, in which case the Registrable Securities may be excluded if the underwriters make the determination described above and no other shareholder's securities are included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For purposes of this Clause 13.7.3, for any Holder that is a partnership, corporation or limited liability company, the partners, retired partners, members and shareholders of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be single Holder, and any pro rata reduction with respect to such Holder shall be based on the aggregate amount of Registrable Securities owned by all such related entities and individuals.

(iii) Withdrawal. The Company shall have the right to terminate or withdraw any registration initiated by it under this Clause 13.7.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

(iv) Termination of Registration Rights. No Holder shall be entitled to exercise any right under this Clause 13.7.3 after the earlier of (i) three (3) years following the closing of an IPO or (ii) as to any Holder such time at which all Registrable Securities held by such Holder can be sold in any three-month period without registration in compliance with Rule 144 of the Securities Act.

13.7.4 All Registration Expenses incurred in connection with any registration pursuant to Clause 13.7.3 (but excluding Selling Expenses) shall be borne by the Company. Each Holder participating in a registration hereunder shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all Selling Expenses or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders.

14 Competition with the Business

14.1 Restrictions

Each of Telstra and Vincent Mo undertakes to the other and the other's Associated Companies that none of it, its Associated Companies, and their respective directors and officers will and it will procure that no person, firm or company carrying on with the consent or privity of it or any of its Associated Companies, any business in succession to it or any of its Associated Companies (as the case may be) (together with Telstra, Vincent Mo, their Associated

Companies and their respective directors and officers, the "**Restricted Parties**") will in any Relevant Capacity (other than as expressly permitted by this Agreement) during the Restricted Period:

14.1.1 carry on, be engaged in or be economically interested in any business in the PRC, Hong Kong, Macau or Taiwan which is a Relevant Business and which is or is likely to be in direct or indirect competition with any part of the business of the Group or the Licence Companies as carried on from time to time;

14.1.2 canvass or solicit in direct or indirect competition with any part of the business of the Group or the Licence Companies as carried on from time to time that is a Relevant Business the custom of any person, firm or company who has within two years prior to Closing or at anytime during the Restricted Period been a regular customer in relation to the business of the Group or the Licence Companies; or

14.1.3 induce or seek to induce any present Restricted Employee to become employed whether as employee, consultant or otherwise by any member of its group, whether or not such Restricted Employee would thereby commit a breach of his contract of service provided that this Clause 14.1.3 shall not prevent any Restricted Party from employing any person who responds to a public advertisement for a vacancy placed by or on behalf of the Restricted Party or who contacts such Restricted Party on his or her own initiative without direct solicitation,

provided however that each of Telstra and Vincent Mo shall cease to have any right to enforce this Clause 14 immediately upon ceasing to be a Shareholder.

14.2 Reasonableness of Restrictions

Each of Telstra and Vincent Mo agrees that the restrictions contained in this Clause 14 are no greater than is reasonable and necessary for the protection of the interests of Telstra, the Group and Licence Companies but if any such restriction shall be held to be void but would be valid if deleted in part or reduced in application, such restriction shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

14.3 Interpretation

The following terms shall have the following meanings respectively in this Clause 14:

14.3.1 "**Relevant Business**" means:

(i) in respect of Telstra, the business of internet advertising classifieds and internet research within the real estate and home improvement sectors;

(ii) in respect of Vincent Mo, the business of internet content provision and internet advertising within the real estate and home improvement sectors and any other business the Group or the Licence Companies carry on from time to time;

14.3.2 "**Relevant Capacity**" means for its own account or for that of any person, firm or company (other than Telstra, or the Group or the Licence Companies) or in any other manner and whether through the medium of any company controlled by it or him or as principal, partner, director, employee, consultant or agent;

14.3.3 "**Restricted Employee**" means any Relevant Employees or any employee of the Group who, in each case, (a) has access to trade secrets or other confidential

information of the Group or the Licence Companies; (b) has participated in discussions relating to the transaction pursuant to this Agreement or any Transaction Document; (c) holds the position of direct report to the CEO or higher; or (d) is a senior employee of the Company;

14.3.4 "**Restricted Period**" means the period commencing from Closing during which Telstra or Vincent Mo (as the case shall be) remains a Shareholder and for a further period of five years after it or he ceases to be a Shareholder, or such shorter period of time recognised by applicable laws as being binding on it or him.

14.4 Exclusions

14.4.1 Nothing contained in this Clause 14 precludes or restricts any Shareholder, Controller or Licence Company Owner or any of their Associated Companies from:

(i) holding not more than five per cent. of the issued voting share capital of any company whose shares are listed on a stock exchange;

(ii) acquiring any business or company, as an integral part of a larger transaction or acquisition of a business, company or group of companies, not predominantly engaged in a competing business provided that:

(a) it uses all reasonable endeavours to dispose of the foregoing business or company which competes with the Business within 6 months of the date of completion of the original transaction (or as soon as possible thereafter);

(b) in making any disposal, it must grant the Company a right of first refusal to acquire the business or company on bona fide arms length terms; and

(c) if the Company does not purchase the business or company within a reasonable period it may dispose of the business or company to a third party.

14.4.2 Nothing contained in this Clause 14 precludes or restricts Telstra or any of its Associated Companies from carrying on, developing or acquiring any activity or business in Hong Kong.

14.5 Damages inadequate remedy

Each of Telstra and Vincent Mo acknowledges that damages may be an inadequate compensation for breach of any of the covenants contained in Clause 14.1 and, subject to a court's discretion, either of them may (for itself or himself, or on behalf of any of its or his Associated Companies) restrain, by injunction, equitable relief or similar remedy, any conduct or threatened conduct by the other which is or will be a breach of Clause 14.1.

15 Information, insurance, records, licences

15.1 Rights to information

A Shareholder may at all reasonable times and at its own expense:

15.1.1 discuss the affairs, finances and accounts of the Company and the Group with their officers and principal executives; and

15.1.2 inspect and make copies of all books, records, accounts, documents and vouchers relating to the Business and the affairs of the Company and the Group.

15.2 Insurance, records and licences

The Shareholders undertake that they shall use their reasonable endeavours to procure that:

15.2.1 the Group maintains with a well established and reputable insurer prudent insurance in accordance with current industry practice from time to time against all risks usually insured against by companies carrying on the same or similar business to the Business which shall include product liability insurance, insurance against loss of profits and consequential loss and insurance for the full replacement or reinstatement value of all its assets of all insurable nature;

15.2.2 the Group keeps proper books of account and makes true and complete entries of all its dealings and transactions of and in relation to the Business; and

15.2.3 the Group shall use its best endeavours to obtain and maintain in full force and effect all approvals, consents or licences necessary for the conduct of the Business.

16 Conditions precedent, duration and termination

16.1 Conditions Precedent

The provisions of Clauses 2 to 13, 14, 15.2, 20.3, 20.10 and 24 to 26 are conditional upon Closing taking place. The provisions of Clauses 1, 15.1, 16 to 19, 20.1 to 20.9, 20.11 to 20.13 and 21 to 23 are unconditional.

16.2 Duration

Subject to the other provisions of this Agreement, this Agreement shall continue in full force and effect without limit in point of time until the earlier of:

16.2.1 the Shareholders agree in writing to terminate this Agreement; and

16.2.2 termination occurs pursuant to Clause 13.6; and

16.2.3 an effective resolution is passed or a binding order is made for the winding-up of the Company other than to effect a scheme of reconstruction or amalgamation,

provided that this Agreement shall cease to have effect as regards any Shareholder who ceases to hold any Shares save for any of its provisions which are expressed to continue in force after termination.

16.3 Termination

Termination of this Agreement shall be without prejudice to any liability or obligation in respect of any matters, undertakings or conditions which shall not have been observed or performed by the relevant Shareholder prior to the termination. This Clause 16 and Clauses 14, 18, 19, 20.2 to 20.9, 20.11 to 20.13 and 21 to 23 shall survive the termination of this Agreement.

17 Public announcements

17.1 Shareholder approval

A Shareholder must not make any public announcement or issue any circular relating to the Group or this Agreement without the prior written approval of the other Shareholders. This does not affect any announcement or circular required by law or any regulatory body or the rules of any recognised stock exchange, but the Party with an obligation to make an announcement or issue a circular shall consult with the other Parties so far as is reasonably practicable before complying with this obligation.

17.2 Oral statements

The Shareholders intend that any oral statements made or replies to questions given by any Shareholder relating to the Group shall be consistent with any public announcements or circulars made in accordance with Clause 17.1.

18 Confidentiality

18.1 Confidentiality

18.1.1 Subject to Clauses 17.1 and 18.1.2:

(i) each of the Parties shall treat as strictly confidential and not disclose or use any documents, materials and other information, in whatever form, whether technical or commercial, received or obtained by it prior to entering into this Agreement or as a result of entering into this Agreement or any other Transaction Document (or any agreement entered into pursuant to this Agreement or any Transaction Document), in each case which relates to:

(a) the provisions of this Agreement and any agreement entered into in relation to this Agreement; or

(b) the negotiations relating to this Agreement (and any other agreements entered into in relation to this Agreement);

(ii) each Party shall treat as strictly confidential and not disclose or use any information relating to the business, financial or other affairs (including future plans and targets) of any other Party or any member of their group;

(iii) each Party shall treat as strictly confidential and not disclose or use any information relating to the business, financial or other affairs (including future plans and targets) of the Group or the Licence Companies.

18.1.2 Clause 18.1.1 shall not prohibit disclosure or use of any information if and to the extent:

(i) the disclosure or use is required by law, any regulatory body or any recognised stock exchange on which the shares of any Party or Telstra Corporation Limited are listed;

(ii) the disclosure or use is required to vest the full benefit of this Agreement in any Party;

(iii) the disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreement entered into under or pursuant to this Agreement or the disclosure is made to a Tax Authority in connection with the Tax affairs of the disclosing Party;

(iv) the disclosure is made to professional advisers or actual or potential financiers of any Party on a need to know basis and on terms that these professional advisers or actual or potential financiers undertake to comply with the provisions of Clause 18.1.1 in respect of such information as if they were a party to this Agreement;

(v) the information is or becomes publicly available (other than by breach of this Agreement);

(vi) the disclosure is made on a confidential basis to potential purchasers of all or part of any Party or to their professional advisers or financiers provided that any of these persons need to know the information for the purposes of considering, evaluating, advising on or furthering the potential purchase;

(vii) the other Party has given prior written approval, such approval not to be unreasonably withheld or delayed, to the disclosure or use (including without limitation disclosure or use for the purposes of publicising the transactions the subject of this Agreement or any other Transaction Document);

(viii) the information is independently developed after Closing; or

(ix) the disclosure or use is a disclosure by Telstra to any of its Associated Companies, is on a need to know basis and Telstra uses reasonable endeavours to ensure that the relevant Associated Company is aware of and complies with the confidentiality obligations set out in this Clause 18,

provided that prior to disclosure or use of any information pursuant to Clause 18.1.2(i), (ii) or (iii), the Party concerned shall promptly notify the other Parties of these requirement with a view to providing the other Parties with the opportunity to contest such disclosure or use or otherwise to agree the timing and content of such disclosure or use.

18.1.3 A recipient of information may disclose the Confidential Information to its shareholders, employees, directors, representatives and agents only to the extent reasonably necessary for the achievement of the objectives of this Agreement and the other Transaction Documents. A recipient of information shall ensure that its relevant shareholders, employees, directors, representatives and agents are aware of and comply with the confidentiality obligations set out in this Clause 18.

18.2 Damages not an adequate remedy

Without prejudice to any other rights or remedies which a Party may have, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this Clause 18 and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of this provision and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 18.

18.3 Survival

18.3.1 The disclosing Party shall remain responsible for any breach of this Clause 18 by the person to whom that confidential information is disclosed.

18.3.2 The provisions of this Clause 18 shall survive the termination of this Agreement for whatever cause.

19 Whole agreement and remedies

19.1 Whole agreement

This Agreement contains the whole agreement between the Parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement, including the Shareholders Agreement entered into by Traders Mauritius and the Continuing Shareholders dated 13 July 2005 and effective as of 13 July 2005. In this Clause 19.1 "**this Agreement**" includes the Transaction Documents and all documents entered into pursuant to the Transaction Documents.

19.2 No inducement

Each of the Shareholders acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.

19.3 Remedies

So far as permitted by law and except in the case of fraud, each Party agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

19.4 Legal advice

Each Party to this Agreement confirms it has received independent legal advice relating to all the matters provided for in this Agreement, including the provisions of this Clause 19.4, and agrees, having considered the terms of this Clause 19.4 and the Agreement as a whole, that the provisions of this Clause 19.4 are fair and reasonable.

20 General

20.1 Warranties

Each of the Shareholders warrants to the other that, except as fairly disclosed in writing to the other prior to the execution of this Agreement:

20.1.1 it has the full power and authority to enter into and to perform its obligations under this Agreement which when executed will constitute valid and binding obligations on it in accordance with its terms; and

20.1.2 the entry and delivery of, and the performance by it of this Agreement will not result in any breach of any provision of its memorandum and articles of association or result in any claim by a third party against the other Shareholder or the Company;

20.2 Survival of rights, duties and obligations

Termination of this Agreement for any cause shall not release a Party from any liability which at the time of termination has already accrued to another Party or which thereafter may accrue in respect of any act or omission prior to the termination.

20.3 Conflict with the Articles

In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles, it is intended that the provisions of this Agreement shall prevail and accordingly the Shareholders shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Agreement and shall further if necessary procure any required amendment to the Articles.

20.4 No partnership

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor constitute any Party the agent of any other Party for any purpose.

20.5 Release etc.

Any liability to any Party under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by that Party in its absolute discretion as regards any Party under such liability without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise.

20.6 Waiver

No failure of any Party to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each a "**Right**") shall operate as a waiver of that Right, nor shall any single or partial exercise of any Right preclude any other or further exercise of that Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

20.7 Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of all of the Parties.

20.8 No Assignment

20.8.1 This Agreement shall be binding on and inure to the benefit of the Parties and their successors and permitted assigns.

20.8.2 Other than in connection with a transfer of Shares by a Shareholder pursuant to this Agreement, and except as otherwise expressly provided in this Agreement, no Party may without the prior written consent of the other Parties, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement.

20.8.3 Except as otherwise expressly provided in this Agreement, a Party may, without the consent of the other Parties, assign to a subsidiary the benefit of the whole or any part

of this Agreement provided however that the assignment shall not be absolute but shall be expressed to have effect only for so long as the assignee remains a subsidiary of the Party concerned.

20.9 Time of the essence

Time shall be of the essence of this Agreement, both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this Agreement or by agreement in writing between the Parties.

20.10 Further assurance

At any time after the date of this Agreement the Parties shall, and shall use all reasonable endeavours to procure that any necessary third party shall, at the cost of the relevant Party execute all documents and do all acts and things as that Party may reasonably require for the purpose of giving to that Party the full benefit of all the provisions of this Agreement.

20.11 Invalidity

20.11.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.

20.11.2 To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 20.11.1, then this provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 20.11.1, not be affected.

20.12 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by executing any such counterpart.

20.13 Costs

Each Party shall bear all costs (other than stamp duty which shall be borne equally) incurred by it in connection with the preparation, negotiation and entry into this Agreement and the documents to be entered into pursuant to it.

21 Notices

21.1 Any notice or other communication in connection with this Agreement (each, a "**Notice**") shall be:

21.1.1 in writing in English;

21.1.2 delivered by hand, fax, registered post or by courier using an internationally recognised courier company.

21.2 A Notice to Telstra shall be sent to such Party with a copy to Telstra Corporation Limited at the following addresses, or such other persons or addresses as Telstra may notify to the other Parties from time to time:

Telstra International Holdings Limited

Level 24, Unit 26-32 China World Tower 1
No. 1 Jianguomenwai
Beijing 100004
People's Republic of China

Fax: (+852) 28271163

Attention: Brian Pilbeam, President, Telstra Asia

With a copy to:

Telstra Corporation Limited

41/242 Exhibition Street
Melbourne 3000
Australia

Fax: : (+61) 3 9632 3215

Attention: Douglas Gration, Company Secretary

21.3 A Notice to Vincent Mo shall be sent to him at the following address, or any other person or address as Vincent Mo may notify to the other Parties from time to time:

Tianquan Mo

Level 4/F, Tower B, COFCO Plaza,
No 8 Jianguomennei Avenue
Beijing 100005
People's Republic of China

Fax: (+86-10) 8511 1242

Attention: Chairman of the Board and CEO Managing Director

21.4 A Notice to the Company shall be sent to such Party at the following address, or any other person or address as the Company may notify to the other Parties from time to time:

SouFun Holdings Limited

Level 4/F, Tower B, COFCO Plaza
No 8 Jianguomennei Avenue
Beijing 100005
People's Republic of China

Fax: (86-10) 8511 1242

Attention: SouFun Holdings Limited

21.5 A Notice to a Party listed in Part A of Schedule 2 shall be sent to such Party at the following address, or such other person or address as such Party may notify to the Parties from time to time:

(i) Next Decade Investments Limited / Media Partner Technology Limited

4/F Tower B COFCO Plaza
No.8 Jianguomennei Ave
Beijing 100005
People's Republic of China

Fax: (+86-10) 8511 1242

Attention: Vincent T. Mo, Chairman of the Board, CEO and Managing Director

(ii) Shan Li / Digital Link Investments Limited

Suite 6401, Two IFC
8 Finance Street, Central
Hong Kong

Fax: (+852) 3527 7001

Attention: Shan Li

(iii) IDG Technology Venture Investment, Inc.

IDGVC Venture Investment Consultancy (Beijing) Co., Ltd.
Room 616, Tower A, COFCO Plaza,
8 Jianguomennei Dajie
Beijing, 100005
People's Republic of China

Fax: (+86-10) 8512 0225

Attention: Ms Bin Li, Legal Counsel.

(iv) Jiangong Dai

Room 401-419,
Building B, Zhongliang Plaza,
No. 8, Jianguomen Avenue, Beijing
People's Republic of China

Fax: (+86-10) 8511 1242

Attention: Yang Yan

21.6 A Notice shall be effective upon receipt and shall be deemed to have been received:

21.6.1 at the time of delivery, if delivered by hand, registered post or courier;

21.6.2 at the time of transmission in legible form, if delivered by fax.

22 Settlement of Disputes

22.1 Choice of Arbitration

Any dispute or difference or claim (in each case of whatsoever nature) arising out of or in connection with or relating to this Agreement (including, without limitation, any dispute as to the validity or existence of this Agreement and/or this Clause 22) (each a "**Dispute**") shall be submitted to and resolved by arbitration by the HKIAC pursuant to its Rules including any additions made by the UNCITRAL Rules and as modified by this Agreement. The arbitral

tribunal shall consist of 3 arbitrators. The arbitral proceedings shall be conducted in English. Any arbitration commenced pursuant to this Clause 22 shall have its seat in Hong Kong.

22.2 Appointing Authority

The appointing authority shall be HKIAC or any other body as the Parties may agree (the "**Appointing Authority**").

22.3 Arbitral tribunal

Unless the Parties agree otherwise:

22.3.1 the Party or Parties requesting arbitration shall jointly appoint an arbitrator in its or their notice for arbitration and the Party or Parties responding to the request for arbitration shall jointly appoint an arbitrator within 30 days of the date the notice for arbitration is received by them. In default of this appointment, the relevant arbitrator(s) shall be appointed by the Appointing Authority within 10 Business Days; and

22.3.2 the third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the Parties. If he is not chosen within 10 Business Days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, he shall be appointed by the Appointing Authority.

22.4 Single Arbitral Proceeding

In order to facilitate the comprehensive, efficient and economical resolution of related Disputes, all Disputes between any of the parties which arise out of or in connection with this Agreement and any of the other Transaction Documents shall (so far as is reasonably practicable) be resolved by means of a single arbitral proceeding. Accordingly, where Disputes arise out of or in connection with this Agreement and any one or more of the other Transaction Documents a single arbitration may be conducted in respect of these Disputes.

22.5 Provision for Concurrent Arbitrations

If at any time two or more arbitrations are commenced and are pending in relation to Disputes which arise out of or in connection with this Agreement and any of the other Transaction Documents and it appears to the arbitral tribunal constituted in the arbitration that was initiated first in time (the "**First Arbitration**") that there are issues of fact or law common to the arbitrations and that it is expedient for the Disputes to be resolved in the same proceedings, and that no party would be prejudiced materially (through undue delay or otherwise) as a result of the arbitrations being consolidated, then, upon the written request of any party to any such arbitration, that arbitral tribunal (the "**Consolidating Arbitral Tribunal**") may, by procedural order, direct that the arbitration(s) to resolve any of the other Disputes shall be consolidated with the First Arbitration. If the Consolidating Arbitral Tribunal so orders, the parties to each Dispute which is a subject of the Consolidating Arbitral Tribunal's order shall be treated as having consented to the Dispute being finally decided:

22.5.1 by the Consolidating Arbitral Tribunal; and

22.5.2 in accordance with the procedure, at the seat and in the language by which the First Arbitration is being conducted, save as otherwise agreed by all parties to the consolidated proceedings or, in the absence of this agreement, as ordered by the Consolidating Arbitral Tribunal.

22.6 Due performance

The Parties undertake:

22.6.1 to comply strictly with the time limits specified in the UNCITRAL Rules and this Agreement for the taking of any step or the performance of any act in or in connection with any arbitration; and

22.6.2 to comply with and to carry out, in full and without delay, any procedural orders (including, without limitation, any interim measures of protection ordered) or any award (interim or final) made by the arbitral tribunal.

22.7 Arbitration final and binding

22.7.1 Any arbitral award shall be final and binding upon the parties thereto and shall be enforceable in accordance with its terms. Each party irrevocably undertakes that it will execute and perform the arbitral award fully and without delay and waives any right of appeal against the award.

22.7.2 None of the Parties shall seek to commence any judicial proceeding with a view to appealing, reviewing or setting aside any arbitral award. All rights of appeal or judicial review of any arbitral award as would otherwise be exercisable by a Party are hereby excluded to the fullest extent permitted.

22.8 Enforcement of the Arbitral Award

Any arbitral award may be enforced by filing as a judgment in any court of competent jurisdiction, or by any other application or proceeding in any court, for the enforcement of the arbitral award, as the case may be.

22.9 Arbitration expenses

22.9.1 The costs of the arbitration, the arbitration fees and the liability for other expenses shall be borne by the losing party unless otherwise determined by the arbitral tribunal.

22.9.2 If it becomes necessary for a Party to enforce an arbitral award by legal action of any kind, the defaulting Party or Parties shall pay all reasonable costs and expenses and attorneys' fees, including any cost of additional litigation or arbitration that shall be incurred by the Party seeking to enforce the award.

22.10 Continual Performance

During the period when a dispute is being resolved, the parties shall, in all respects other than the issue(s) in dispute, continue their performance of this Agreement.

23 Governing law and submission to jurisdiction

23.1 Governing Law

This Agreement and the documents to be entered into pursuant to it, save as expressly referred to therein, shall be governed by and construed in accordance with Hong Kong law.

23.2 Submission to Jurisdiction

Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong to support and assist the arbitration process pursuant to Clause 22, including if necessary the grant of interlocutory relief pending the outcome of that process.

24 Authority to deliver

The signature or sealing of this Agreement by or on behalf of a Party shall constitute an authority to the solicitors, or an agent or employee of the solicitors, acting for that Party in connection with this Agreement to deliver it as a deed on behalf of that Party.

25 Guarantee by Controllers

25.1 In consideration of the other Parties entering into this Agreement, each Controller hereby undertakes to the Parties that it will guarantee, as sole or principal obligor to the Parties, the due and punctual performance by each Shareholder Controlled by that Controller of all obligations, commitments and undertakings under or pursuant to this Agreement (and each Transaction Document to which the Shareholder is a party).

25.2 Each Controller shall indemnify each other Party against all losses, liabilities, costs (including without limitation legal costs), charges, expenses, actions, proceedings, claims and demands which any Party may suffer through or arising from any breach of the Controller of its obligations under this Agreement or incurred by that Party in the course of enforcing its rights under this Clause 25.

25.3 This guarantee is given for the benefit of the Parties and its respective successors and assigns and shall be binding on each Controller and its successors and assigns.

26 Undertaking by Vincent Mo

Vincent Mo:

26.1 unconditionally and irrevocably undertakes to the Company that he shall not, in any of his capacity as a Licence Company Owner, the Chairman or CEO:

26.1.1 pledge, mortgage, charge or otherwise Encumber any of its equity interest in the Licence Companies he controls in his capacity as a License Company Owner, the Chairman or CEO except for the Pledges;

26.1.2 sell, transfer or otherwise dispose of, or grant any option over, any of its equity interest in the Licence Companies he controls in his capacity as a License Company Owner the Chairman or CEO; or

26.1.3 enter into any agreement in respect of the votes attached to any of its equity interest in the Licence Companies he controls in his capacity as a License Company Owner the Chairman or CEO;

26.2 unconditionally and irrevocably undertakes to the Company, that in his capacity as a Licence Company Owner, the Chairman or CEO, he will not take or cause to be taken any act or fail to take or cause to be taken any act which results in a Licence held by any Licence Company in which he has an interest as a License Company Owner ceasing to be valid and effective;

26.3 shall indemnify the Company against all losses, liabilities, costs (including without limitation legal costs), charges, expenses, actions, proceedings, claims and demands which the

Company may suffer through or arising from any breach by Vincent Mo of his obligations under this Clause 26 or incurred by the Company in the course of enforcing its rights against it under this Clause 26.

In witness whereof this Agreement has been duly executed as a deed.

SIGNED SEALED and **DELIVERED as a DEED** by and in the name of **TELSTRA INTERNATIONAL HOLDINGS LIMITED** by its duly authorised attorney NEIL LOUIS

/s/ Neil Louis (seal)

in the presence of: BEN FORGIEL-JENKINS

/s/ Ben Forgiel-Jenkins

SIGNED, SEALED AND DELIVERED by **TIANQUAN MO** /s/ Tianquan Mo (seal)

EXECUTED as a DEED by **SOUFUN HOLDINGS LIMITED** acting by
in the presence of: BEN FORGIEL-JENKINS /s/ Tianquan Mo (seal)

/s/ Ben Forgiel-Jenkins

THE COMMON SEAL of **NEXT DECADE INVESTMENTS LIMITED**
was affixed in the presence of: TIANQUAN MO (SEAL) /s/ Tianquan Mo

THE COMMON SEAL of **MEDIA PARTNER TECHNOLOGY LIMITED**
was affixed in the presence of: JING CAO (SEAL) /s/ Jing Cao

SIGNED, SEALED AND DELIVERED
by **JIANGONG DAI**

/s/ Jiangong Dai (seal)

SIGNED SEALED and **DELIVERED as a DEED** by and in the name of **DIGITAL LINK INVESTMENTS LIMITED** by its duly authorised attorney SHAN LI

/s/ Shan Li (seal)

in the presence of: BEN FORGIEL-JENKINS

/s/ Ben Forgiel-Jenkins

SIGNED, SEALED AND DELIVERED by **SHAN LI**

/s/ Shan Li (seal)

SIGNED SEALED and **DELIVERED as a DEED** by and in the name of **IDG TECHNOLOGY INVESTMENT, INC.** by its duly authorised attorney Quan Zhou

/s/ Quan Zhou (seal)

in the presence of:

/s/ Lin Bin

Schedule 1

Definitions and Interpretation

Part A — Definitions

"**100 Percent Associated Company**" means, (i) in relation to a Party which is a corporate legal entity, any holding company which (directly or indirectly) holds 100 per cent. of the voting securities of the Party, a wholly-owned subsidiary of the Party, or any other wholly-owned subsidiary of a holding company which (directly or indirectly) holds 100 per cent. of the voting securities of the Party; and (ii) in relation to a Party which is a natural person, any company which is wholly-owned by that Party;

"**Acceptance Notice**" shall have the meaning ascribed to it in Clause 6.4.1;

"**Acceptance Period**" shall have the meaning ascribed to it in Clause 6.3.1;

"**Advertising Licence**" means a statutory or regulatory licence, consent, permit or approval which is necessary or desirable for the conduct of an advertising business in the PRC and includes a business licence issued by the State Administration for Industry and Commerce which specifically includes operating an advertising business within the business scope of the entity to which it is issued;

"**Advertising Licence Company**" means any PRC company which holds or is in the process of applying for any Advertising Licence and which as at the date of this Agreement, includes Beijing Jia Tian Xia Advertising Co., Limited, Shanghai Jia Biao Tang Advertising Co., Ltd, and their branches, subsidiaries, and persons that each of them directly or indirectly Controls or is under direct or indirect common Control with these persons;

"**Appointing Authority**" shall have the meaning ascribed to it in Clause 22.2;

"**Articles**" mean the articles of association of the Company as amended from time to time;

"**Associated Company**" means, (i) in relation to a Party which is a corporate legal entity, any holding company, subsidiary, or any other subsidiaries of any the holding company, but in relation to a Shareholder does not include the Company; and (ii) in relation to a Party which is a natural person, any company which that Party Controls but in relation to a Shareholder does not include the Company;

"**Audited Accounts**" mean the report and audited accounts of the Company and of each Group Company and the audited consolidated accounts of the Group for the financial period ending on the relevant balance sheet date; "

Auditors" mean KPMG Huazhen of 8th Floor, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Beijing 100738, PRC or any other firm of Chartered Accountants appointed auditors of the Company from time to time;

"**Board**" means the board of directors of the Company or an authorised committee of the Board;

"**Business**" means the business of Internet content provision and Internet advertising in the PRC;

"**Business Day**" means a day which is not a Saturday, a Sunday or a bank or public holiday in the PRC;

"**Business Plan**" means the business plan for the Group as approved, or deemed to be approved by the Board and as may be amended from time to time in accordance with Clause 3.5.6(vi), Clause 3.5.7, or Clause 4.1.4, prepared annually in respect of the forthcoming three year period setting out: (1) the Group's strategic planning in respect of customers (including market development and capacity growth), capital expenditure, financing, Tax, competitors and contingency planning which shall be set

out in detail for the forthcoming year and in such level of generality as the Board may determine for the following two years; and (2) a detailed budget for the Group for the following financial year (including estimated major items of revenue and capital expenditure) which shall be broken down on a monthly basis, and shall contain a cash flow forecast and a balance sheet showing the projected position of the Group as at the end of the following financial year;

"**Call Option Agreements**" means the call option agreements under which the Company or a Group Company holds call options over Licence Company Interests, as described in Part 2 of Schedule 5;

"**CEO**" means the Chief Executive Officer of the Company from time to time;

"**CFO**" means the Chief Financial Officer of the Company from time to time;

"**Chairman**" means the Chairman of the Board from time to time who shall be Vincent Mo unless he is removed as Chairman under Clause 3.3.2;

"**Closing**" means the completion of the Share Purchase Agreement in accordance with its terms;

"**Closing Date**" means the date on which Closing takes place;

"**Confidential Information**" means any information; (1) relating to the customers, Business, assets or affairs of any Group Company which they may have or acquire through ownership of an interest in the Company; (2) relating to the customers, business, assets or affairs of the other Parties or any member of their group which they may have or acquire through being a Shareholder or making appointments to the Board or through the exercise of its rights or performance of its obligations under this Agreement; or (3) which relates to the contents of any Transaction Document or any agreement or arrangement entered into pursuant to any Transaction Document.

"**Consolidating Arbitral Tribunal**" shall have the meaning ascribed to it in Clause 22.5;

"**Continuing Shareholders**" means the Parties listed in Part B of Schedule 2 and "**Continuing Shareholder**" means any one of them;

"**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and "**Controlled**" and "**Controls**" shall be construed accordingly. For these purposes, a Shareholder "**Controlled**" by a Controller shall include the Shareholder whose name is set out next to the name of that Controller in Part C of Schedule 2;

"**Controller Level Offer**" shall have the meaning ascribed to it in Clause 6.3;

"**Controller Level Offeror**" shall have the meaning ascribed to it in Clause 6.3;

"**Controllers**" means any Party who Controls a Shareholder and includes the Parties listed in Part C of Schedule 2 as "Controllers" and "**Controller**" means any one of them;

"**DCF**" shall have the meaning ascribed to it in Clause 3.1.1 of Schedule 4;

"**Deed of Adherence**" means a deed in the form set out in Schedule 3;

"**Default Notice**" shall have the meaning ascribed to it in Clause 8.3.1;

"**Default Sale Shares**" shall have the meaning ascribed to it in Clause 8.3.1;

"**Defaulting Shareholder**" shall have the meaning ascribed to it in Clause 8.1;

"**Directors**" means the Telstra Directors and the Vincent Mo Directors, and "**Director**" means any one of them;

"**Disclosure Letter**" shall have the meaning ascribed to it in the Share Purchase Agreement;

"**Dispute**" shall have the meaning ascribed to it in Clause 22.1;

"**Employee Stock Option Plan**" shall mean any employee share or option incentive plan of the Company as at Closing and includes without limitation the Employee Share Incentive Plan adopted by the Board on 15 April 2004;

"**Encumbrance**" means any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal or other third party rights or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing and "**Encumber**" shall be construed accordingly;

"**Event of Default**" shall have the meaning ascribed to it in Clause 8.1;

"**Fair Value**" means fair value of shares to be transferred pursuant to this Agreement as determined in accordance with Schedule 4;

"**First Arbitration**" shall have the meaning ascribed to it in Clause 22.5;

"**Group**" means the Company and its subsidiaries and any company in which it owns any shares, including a SouFun FITE and/or a SouFun FIAE, and "**Group Company**" means any one of them;

"**HKIAC**" means the Hong Kong International Arbitration Centre;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**IDG**" means IDG Technology Venture Investment, Inc., one of the Continuing Shareholders;

"**Immediate Family Member**" means, in relation to a Controller, the Controller's spouse, child, parent, brother or sister;

"**Independent Expert**" means an expert appointed for the purposes of determining Fair Value pursuant to Schedule 4, which shall be one of the following five independent international investment banks of good standing and repute:

(i) Goldman Sachs;

(ii) Citigroup;

(iii) Merrill Lynch;

(iv) Credit Suisse First Boston; and

(v) UBS.

"**IPO**" means an initial public offering of the Company's ordinary shares in the United States that has been registered under the Securities Act with a valuation of the Company immediately prior to the offering of at least US$500,000,000, or in a similar public offering of the Company's ordinary shares in another jurisdiction which results in such ordinary shares trading publicly on an internationally recognised securities exchange, provided that such offering satisfies the foregoing valuation requirement;

"**LIBOR**" means the British Bankers' Association Interest Settlement Rate for one month sterling displayed on the appropriate page of the Reuters screen (or such other page as the Parties may agree)

at 11.00 a.m., London time, on the first day of the period to which any interest period relates (the "**Relevant Date**"). If such rate does not appear on the Reuters screen page on the Relevant Date, the rate for that Relevant Date will be determined on the basis of the rates at which deposits for one month sterling are offered by HSBC Bank at 11.00 a.m., London time, on the Relevant Date to leading banks in the London inter bank market;

"**Licence**" means a statutory or regulatory licence, consent, permit or approval which is necessary or desirable for the operation and development of the Business and includes without limitation (i) any licence listed in the Ministry of Information Industry Classification Catalogue (2003 edition or as subsequently amended); (ii) any Value-added Telecommunications Services Operating Licence listed in the aforementioned catalogue, including the Telecommunications and Information Services Licence (or ICP Licence); and (iii) any Advertising Licence;

"**Licence Companies**" means the Advertising Licence Companies and Telecommunications Licence Companies, and "**Licence Company**" means any one of them;

"**Licence Company Interests**" means the interest in the registered capital of a Licence Company;

"**Licence Company Notice**" means a notice in writing issued by the Company exercising the right to purchase Licence Company Interests in accordance with Clause 10.1.1;

"**Licence Company Owners**" means the Parties who hold an equity interest directly or indirectly in any Licence Company, whether jointly with another person or otherwise and includes the persons listed in Part D of Schedule 2 and "**Licence Company Owner**" means any one of them;

"**Loan Agreements**" means the loan agreements entered into between Group Companies and Licence Company Owners, as described in Part 3 of Schedule 5;

"**Macau**" means Macau Special Administrative Region of the People's Republic of China;

"**Management Agreement**" shall have the meaning ascribed to it in the Share Purchase Agreement;

"**NASDAQ**" means the National Association of Securities Dealers Automated Quotation System;

"**Notice**" shall have the meaning ascribed to it in Clause 21.1;

"**Offer**" shall have the meaning ascribed to it in Clause 6.3;

"**Offeror**" shall have the meaning ascribed to it in Clause 6.3;

"**Offer Shares**" shall have the meaning ascribed to it in Clause 6.3;

"**Outstanding Loan Amounts**" means, in relation to a Licence Company, any amount outstanding and payable by a Licence Company Owner to any Group Company in respect of a loan made under a Loan Agreement, to the extent that the loan was used by the Licence Company Owner to directly or indirectly acquire equity interests in or make a contribution towards the capital of Licence Company;

"**Parties**" means the parties to this Agreement and "**Party**" means any one of them;

"**Permitted Condition**" means a *bona fide* material consent, clearance, approval or permission necessary to enable the relevant person to be able to complete a transfer of Shares under (1) its constitutional documents (2) the rules or regulations of any stock exchange on which it or its parent company is quoted or (3) any governmental, statutory or regulatory body in those jurisdictions where that person carries on business;

"**Pledgee**" means a pledgee under a Pledge;

"**Pledges**" means the pledges over the equity interests in Licence Companies as described in Part 1 of Schedule 5;

"**PRC**" means the People's Republic of China, which for the purposes of this Agreement, excludes Hong Kong, Macau and Taiwan;

"**Relevant Business**" shall have the meaning ascribed to it in Clause 14.3.1;

"**Relevant Capacity**" shall have the meaning ascribed to it in Clause 14.3.2;

"**Remaining Shareholders**" shall have the meaning ascribed to it in Clause 6.3;

"**Respective Proportion**" means the proportion of Shares held by each Shareholder as a percentage of the total issued share capital of the Company at the relevant time;

"**Restricted Employee**" shall have the meaning ascribed to it in Clause 14.3.3;

"**Restricted Parties**" shall have the meaning ascribed to it in Clause 14.1;

"**Restricted Period**" shall have the meaning ascribed to it in Clause 14.3.4;

"**Right**" shall have the meaning ascribed to it in Clause 20.6;

"**SEC**" means the United States Securities and Exchange Commission, or, in the event that the Company effects a public offering in a jurisdiction outside of the United States with an internationally recognised investment exchange, its equivalent in the jurisdiction where the Company effects such public offering of its securities;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Sell Out Date**" shall have the meaning ascribed to it in Clause 7.3.1(i);

"**Sell Out Notice**" shall have the meaning ascribed to it in Clause 7.1.2;

"**Sell Out Period**" shall have the meaning ascribed to it in Clause 7.1.2;

"**Sell Out Price**" shall have the meaning ascribed to it in Clause 7.2.1(i);

"**Sell Out Right**" shall have the meaning ascribed to it in Clause 7.1.1;

"**Sensis**" means Sensis Pty Ltd, Australian Business Number 30007423912, a proprietary company limited by shares, incorporated under the laws of Australia;

"**Share Purchase Agreement**" shall have the meaning ascribed to it in Recital A;

"**Shareholder Level Offer**" shall have the meaning ascribed to it in Clause 6.3;

"**Shareholder Level Offeror**" shall have the meaning ascribed to it in Clause 6.3;

"**Shareholders**" mean Telstra, IDG and the Parties listed in Part B of Schedule 2 and "**Shareholder**" means any one of them;

"**Shares**" mean issued ordinary shares in the Company and (1) any shares issued in exchange for those shares or by way of conversion or reclassification and (2) any shares representing or deriving from those shares as a result of an increase in, reorganisation or variation of the capital of the Company;

"**SouFun FIAE**" means (i) a foreign-invested advertising enterprise jointly established between the Company and/or a Telstra FIAE Investor with any one or more of the Advertising Licence Companies

or any one or more of the Continuing Shareholders and their Associated Companies, in accordance with Clause 10.3.1(i), or (ii) a foreign-invested advertising enterprise formed as a result of the acquisition of equity interests in an Advertising Licence Company by the Company and/or a Telstra FIAE Investor, in accordance with Clause 10.3.1(ii);

"**SouFun FIAE Interest**" means the interest held by a Licence Company Owner or a Licence Company in the registered capital of any SouFun FIAE established in accordance with Clause 10.3.1 (ii);

"**SouFun FITE**" means (i) a foreign-invested telecommunications enterprise jointly established between the Company and/or a Telstra FITE Investor with any one or more of the Licence Companies or any one or more of the Continuing Shareholders and their Associated Companies, in accordance with Clause 10.2.1(i), or (ii) a foreign-invested telecommunications enterprise formed as a result of the acquisition of equity interests in a Licence Company by the Company and/or a Telstra FITE Investor, in accordance with Clause 10.2.1(ii);

"**SouFun FITE Interest**" means the interest held by a Licence Company Owner or a Licence Company in the registered capital of any SouFun FITE established in accordance with Clause 10.2.1 (ii);

"**Tag-Along Notice**" shall have the meaning ascribed to it in Clause 6.4.2;

"**Tax**" means all forms of taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, rates and levies (including without limitation social security contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any person and all penalties, charges, costs and interest relating thereto;

"**Tax Authority**" means any taxing or other authority competent to impose any liability in respect of Tax or responsible for the administration and/or collection of Tax or enforcement of any law in relation to Tax;

"**Telecommunications Licence Company**" means any PRC company which holds or is in the process of applying for any Licence (other than an Advertising Licence) and which as at the date of this Agreement, includes Beijing SouFun Internet Information Service Co., Limited, Beijing SouFun Science and Technology Development Co., Limited, Beijing China Index Information Co., Ltd, and their branches, subsidiaries, and persons that each of them directly or indirectly Controls or is under direct or indirect common Control with these persons;

"**Telstra Directors**" means the directors appointed by Telstra in accordance with Clause 3.1 of this Agreement and the Articles and "**Telstra Director**" means any one of them;

"**Telstra FIAE Investor**" shall have the meaning ascribed to it in Clause 10.3.1(i);

"**Telstra FITE Investor**" shall have the meaning ascribed to it in Clause 10.2.1(i);

"**Telstra Notice**" shall have the meaning ascribed to it in Clause 7.2.1;

"**Trader Mauritius**" means Trader Classified (Mauritius) Holdings Ltd, a company incorporated in Mauritius with its registered office at c/o L+P Corporate Services Ltd, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Republic of Mauritius;

"**Transaction Documents**" shall have the meaning ascribed to it in the Share Purchase Agreement;

"**Transfer Date**" shall have the meaning ascribed to it in Clause 6.6.1;

"**Transfer Notice**" shall have the meaning ascribed to it in Clause 6.3;

"**Transitional Business Plan**" means the business plan for the Group set out in Schedule 6;

"**UNCITRAL Rules**" means the arbitration rules of the United Nations Commission on International Trade Law adopted on 28 April 1976 as in force at the date of this Agreement and as modified by this Agreement;

"**US$**" or "**US Dollars**" means United States Dollars, the lawful currency of the United States of America;

"**Vincent Mo Directors**" means the Directors appointed by Vincent Mo in accordance with Clause 3.2 of this Agreement and "**Vincent Mo Director**" means any one of them;

"**Vincent Mo Shareholders**" means the Shareholders Controlled by Vincent Mo and "**Vincent Mo Shareholder**" means any one of them;

"**Vincent Mo Shareholding Proportion**" means the aggregate shareholding in the total issued share capital of the Company that is held directly or indirectly by Vincent Mo (including through Next Decade Investments Limited and Media Partner Technology Limited) as a percentage of the total issued share capital of the Company at the relevant time; and

"**WACC**" shall have the meaning ascribed to it in Clause 3.1.4 of Schedule 4.

Part B — Interpretation

1 Modification etc. of Statutes

References to a statute or statutory provision include:

1.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this Agreement;

1.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which that statute or provision has directly or indirectly replaced; and

1.3 any subordinate legislation made from time to time under that statute or statutory provision.

2 Singular, plural, gender and other terms

2.1 References to one gender include all genders and references to the singular include the plural and vice versa.

2.2 The words "**includes"** and "**including**" mean "includes without limitation" and "including without limitation", respectively.

3 References to persons, companies and government authorities

References to:

3.1 a person include any company, partnership or unincorporated association (whether or not having separate legal personality);

3.2 a company shall include any company, corporation or any body corporate, wherever incorporated; and

3.3 PRC government authorities or departments include such authorities or departments at central, provincial, municipal and other levels and their successor authorities or departments.

4 Schedules etc.

References to this Agreement shall include any recitals and schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and parts of the Schedules.

5 Headings

Headings shall be ignored in interpreting this Agreement.

6 Information

References to books, records or other information mean books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

7 Legal Terms

References to any legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than Hong Kong, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction.

8 Time of day

References to time of day are to Hong Kong time unless otherwise stated.

9 Winding-up

References to the winding-up of a person include the amalgamation, reconstruction, reorganisation, administration, dissolution, liquidation, merger or consolidation of such person and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets.

Schedule 2

Other Parties

Part A — Other Parties to this Agreement

1. Next Decade Investments Limited with its registered office at P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands;

2. Media Partner Technology Limited with its registered office at P.O.Box 957, Offshore Incorporation Center Road Town, Tortola, British Virgin Islands;

3. Digital Link Investments Limited with its registered office at Suite 6401, Two IFC, 8 Finance Street, Central, Hong Kong;

4. Shan Li of Apt 3B Taggart, 109 Repulse Bay Road, Hong Kong, holder of Hong Kong resident card number P393881(A);

5. Jiangong Dai of 660 Shangcheng Road, Pudong New District, Shanghai, PRC, holder of PRC resident card number 450104197309251550;

6. IDG Technology Venture Investment, Inc. with its registered office at 5 Speen Street, Framingham, MA, USA.

Part B — Continuing Shareholders

1. Next Decade Investments Limited

2. Media Partner Technology Limited

3. Digital Link Investments Limited

4. IDG Technology Venture Investment, Inc.

Part C — Controllers

Shareholder Controlled by Controller	Name of Controller
Next Decade Investments Limited	Vincent Mo
Media Partner Technology Limited	Vincent Mo
Digital Link Investments Limited	Shan Li

Part D — Licence Company Owners

1. Vincent Mo

2. Jiangong Dai

Schedule 3

Deed of Adherence

THIS DEED OF ADHERENCE is made on [DATE] by [ ] of [ ] (the "**Covenantor**")

SUPPLEMENTAL to a Shareholders' Agreement dated [DATE] and made between Telstra International Holdings Limited, Tianquan Mo, IDG Technology Ventures Limited, SouFun Holdings Limited (the "**Company**") and others (the "**Agreement**").

The Covenantor covenants as follows:

1 The Covenantor confirms that it has been supplied with and has read a copy of the Agreement and covenants with each of the persons named in the Schedule to this Deed to observe perform and be bound by all the terms of the Agreement which are capable of applying to the Covenantor and which have not been performed at the date of this Deed to the intent and effect that the Covenantor shall be deemed with effect from the date on which the Covenantor is registered as a member of the Company to be a party to the Agreement (as if named as a Shareholder under that Agreement).

2 This Deed shall be governed by and construed in accordance with Hong Kong law and the Covenantor hereby submits irrevocably to the non-exclusive jurisdiction of the Courts of Hong Kong (but accepts that this Deed may be enforced in any court of competent jurisdiction) and hereby appoints [a person resident in Hong Kong and reasonably acceptable to the Board of Directors of the continuing Shareholders] as its agent for service of all process in any proceedings in respect of the Agreement.

EXECUTED as a deed on the date written above.

Schedule
[Parties to Agreement including those who have executed earlier Deeds of Adherence]

Schedule 4
Determination of Fair Value

1 Appointment of expert

1.1 Telstra and Vincent Mo shall each appoint an Independent Expert.

1.2 A third Independent Expert shall be appointed by agreement between Telstra and Vincent Mo.

1.3 If Telstra and Vincent Mo cannot agree on the identity of the third Independent Expert, the two Independent Experts already appointed pursuant to Clause 1.1 of this Schedule 4 shall appoint the third Independent Expert.

1.4 Each of Telstra and Vincent Mo must bear the costs of the Independent Expert that is appointed by it under Clause 1.1 of this Schedule 4. The Company shall bear the costs of the third Independent Expert appointed under Clauses 1.2 and 1.3 of this Schedule 4.

2 Determination of Fair Value

2.1 The Independent Experts may determine the Fair Value of the shares in accordance with the valuation guidelines set out in Clause 3 of this Schedule 4 and/or such other procedures as they consider appropriate.

2.2 Each Independent Expert acts as an independent expert and not as an arbitrator when valuing shares under this Agreement.

2.3 The Company and each Shareholder must provide all information and assistance reasonably requested by the Independent Experts.

2.4 Each Independent Expert's determination of the value of the shares is binding on all Parties in the absence of manifest error and must be provided to the relevant Parties.

2.5 The Fair Value of the shares will be equal to:

2.5.1 subject to sub-Clause 2.5.2, the average of the three valuations;

2.5.2 if the valuation that is furthest (in absolute dollar terms) from the average of the three valuations is more than 20% further from the average than the next furthest valuation then it shall be eliminated and the Fair Value of the shares will be the average of the two remaining valuations.

For example:

Example	1	2	3	4
Valuation 1	90	70	60	96
Valuation 2	100	100	100	100
Valuation 3	113	127	110	110
Average	101	99	90	102
Re-calculated Average	NA	NA	105	98

In example 3, the furthest valuation (Valuation 1) is 50% further from the average than the next furthest valuation (Valuation 3) and has been eliminated.

In example 4, the furthest valuation (Valuation 3) is 33% further from the average than the next furthest valuation (Valuation 1) and has been eliminated.

3 Fair Value Guidelines

3.1 Definition

Subject to this Schedule 4, Fair Value shall be arrived at by applying the primary methodology specified in Clause 3.1.1 of this Schedule 4 and cross-checking the fair value so derived in the manner described in Clause 3.1.5 of this Schedule 4.

For the purposes of this Agreement, Fair Value is the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arms length within a reasonable time frame and is to be determined on the following basis:

3.1.1 Methodology

The primary methodology to be used in the calculation of Fair Value will be a discounted cash flow ("**DCF**") analysis, utilising the best estimate of future free cash flows (i.e. after-tax cash flows less working capital and capital expenditure investments) expected to be derived from continuing the Business.

3.1.2 Control premium

The valuation will explicitly exclude any control premium or minority discount.

3.1.3 Free cash flow projections

(i) Base free cash flow projections must be based on reasonable and reasonably supportable assumptions that utilise management's best estimate of the range of economic conditions.

(ii) Base free cash flow projections should exclude any estimated future cash inflows or outflows expected to arise from future restructuring or anticipated major changes in business activities unless contained in the current business plan.

(iii) Projections shall cover 5 years, unless a longer period can be justified. The free cash flow projections beyond this period should be extrapolated based on the budgets/forecasts using a steady growth rate for subsequent years unless an increasing rate can be justified.

(iv) Free cash flows should not include cash inflows or outflows from financial activities (because the effect of financial structure and related financial activities is already included in the discount rate).

3.1.4 Discount Rate

The discount rate applied to the free cash flows must be post tax and reflect the time value of money and the risks specific to the asset for which the future free cash flow estimates have not been adjusted. The discount rate shall be equivalent to the Company's weighted average cost of capital ("**WACC**").

3.1.5 Cross-checks

(i) The fair value derived should be cross-checked by the application of an appropriate multiple to estimated future maintainable earnings. This requires an assessment of:

(a) a maintainable level of earnings which can be sustained by the Company in the long run;

(b) the selection of an appropriate multiple to apply to the above earnings; and

(c) the identification of any assets or liabilities surplus to the needs of the business.

(ii) This methodology should only be used where an appropriate multiple can be recognised or iteration made from broadly comparable companies or transactions.

Schedule 5
Agreements affecting Licence Companies

Part 1 — Pledges

1. Equity Pledge Agreement in relation to equity interests in Beijing SouFun Internet Information Service Co., Ltd, between SouFun Media Technology (Beijing) Co., Ltd, Vincent Mo and Jiangong Dai dated 9 May 2004.

2. Equity Pledge Agreement, in relation to equity interests in Beijing China Index Information Co., Ltd. between SouFun Media Technology (Beijing) Co., Ltd., Beijing Jia Tian Xia Advertising Co., Ltd. and Beijing SouFun Internet Information Service Co., Ltd., dated 17 August 2006.

3. Equity Pledge Agreement, in relation to equity interests in Beijing SouFun Science and Technology Development Co., Ltd. between SouFun Media Technology (Beijing) Co., Ltd., Vincent Mo and Jiangong Dai, dated 17 August 2006.

4. Equity Pledge Agreement in relation to equity interests in Beijing Jia Tian Xia Advertising Co., Ltd, between SouFun Media Technology (Beijing) Co., Ltd, Vincent Mo and Jiangong Dai dated 9 May 2004.

5. Equity Pledge Agreement in relation to equity interests in Shanghai Jia Biao Tang Advertising Co., Ltd, between SouFun Media Technology (Beijing) Co., Ltd, Beijing Jia Tian Xia Advertising Co., Ltd and Beijing SouFun Internet Information Service Co., Ltd., dated 17 August 2006.

Part 2 — Call Option Agreements

1. Exclusive Call Option Agreement, between the Company, SouFun Media Technology (Beijing) Co., Ltd, Beijing SouFun Internet Information Service Co., Ltd, Vincent Mo and Jiangong Dai dated 9 May 2004.

2. Exclusive Call Option Agreement, between SouFun.com Limited, Beijing SouFun Science and Technology Development Co., Ltd., Vincent Mo, Jiangong Dai and SouFun Media Technology (Beijing) Co., Ltd., dated 17 August 2006.

3. Exclusive Call Option Agreement, between SouFun.com Limited, Beijing China Index Information Co., Ltd., Beijing Jia Tian Xia Advertising Co., Ltd., Beijing SouFun Internet Information Service Co., Ltd. and SouFun Media Technology (Beijing) Co., Ltd., dated 17 August 2006.

4. Exclusive Call Option Agreement, between the Company, SouFun Media Technology (Beijing) Co., Ltd, Beijing Jia Tian Xia Advertising Co., Ltd, Vincent Mo and Jiangong Dai dated 9 May 2004.

5. Exclusive Call Option Agreement, between SouFun.com Limited, Shanghai Jia Biao Tang Advertising Co., Ltd., Beijing Jia Tian Xia Advertising Co., Ltd., Beijing SouFun Internet Information Service Co., Ltd. and SouFun Media Technology (Beijing) Co., Ltd., dated 17 August 2006.

Part 3 — Loan Agreements

1. Loan Agreement, between Beijing SouFun Information Consultancy Co., Ltd, Vincent Mo and Hongbing You, dated 9 May 2004 (for capital increase in Beijing Jia Tian Xia Advertising Co., Ltd, to be repaid by transfer of equity interests in Beijing Jia Tian Xia Advertising Co., Ltd.).

2. Supplemental Loan Agreement, between SouFun Media Technology (Beijing) Co., Ltd, Beijing SouFun Information Consultancy Co., Ltd, Vincent Mo, Hongbing You and Jiangong Dai, dated 9 May 2004 (under which SouFun Media Technology (Beijing) Co., Ltd adopted rights and obligations of Beijing SouFun Information Consultancy Co., Ltd.).

3. Capital Increase Loan Agreement, between SouFun Media Technology (Beijing) Co., Ltd and Vincent Mo, dated 9 May 2004 (for capital increase in Beijing SouFun Internet Information Service Co., Ltd, to be repaid by transfer of equity interests in Beijing Jia Tian Xia Advertising Co., Ltd and Beijing SouFun Internet Information Service Co., Ltd.).

4. Capital Increase Loan Agreement, between Vincent Mo and Beijing Jia Tian Xia Advertising Co., Ltd, dated 9 May 2004 (for capital increase in Beijing SouFun Internet Information Service Co., Ltd, to be repaid by transfer of equity interests in Beijing SouFun Internet Information Service Co., Ltd.).

5. Capital Increase Loan Agreement, between Jiangong Dai and SouFun Media Technology (Beijing) Co., Ltd, dated 9 May 2004 (for capital increase in Beijing SouFun Internet Information Service Co., Ltd, to be repaid by transfer of equity interests in Shanghai SouFun Investment Consultancy Co., Ltd and Beijing SouFun Internet Information Service Co., Ltd.).

6. Capital Increase Loan Agreement, between JianGong Dai and Shanghai SouFun Investment Consultancy Co., Ltd, dated 9 May 2004 (for capital increase in Beijing SouFun Internet Information Service Co., Ltd, to be repaid by transfer of equity interests in Beijing SouFun Internet Information Service Co., Ltd.).

7. Loan Agreement, between SouFun Media Technology (Beijing) Co., Ltd, Vincent Mo and Jiangong Dai, dated 17 August 2006 (for capital increase in Beijing SouFun Science and Technology Development Co., Ltd, to be repaid by transfer of equity interests in Beijing SouFun Science and Technology Development Co., Ltd.).

Schedule 6
Transitional Business Plan

TRANSITIONAL BUSINESS PLAN (period ending 31 Dec 2006)

GENERAL

For the rest of year 2006, the company will continue its operations as it has been going on. The goal is to further consolidate our position as the leading real estate and home furnishing focused Internet company in China. To achieve this goal, we intend to:

- ***Further Expand Our National Coverage and Listing Database***

Geographic Expansion

Our web site currently provides listing and other real estate information for 39 cities in China, and over the next several years, we intend to expand our geographic reach to cover 100 cities in China. We believe that expanding our coverage of various local real estate markets across China will help solidify our reputation as a nationwide real estate-focused Internet company. We believe this expansion will also allow us to establish a strong market position in these developing real estate markets before many of our competitors. We also intend to expand our on-the-ground local presence through the establishment of additional local offices, which will allow us to interact directly with local advertisers and members of each local real estate community, and also develop a deeper understanding of these different local real estate markets.

Enlarge Our Online Real Estate Listing Database

We intend to dedicate resources to increasing the number, quality and geographic coverage of our property listings. We expect to achieve this through the hiring and training of more personnel, establishing additional offices, and attracting additional listings from our existing clients for new, secondary and rental properties. We believe that the increase in listings will help increase user traffic, which in turn will attract additional listings and more advertisers to our web site.

- ***Continue to Strengthen Our Brand and Reputation in the Real Estate and Home Furnishing Industry***

We intend to continue strengthening our brand name in the real estate industry, which will allow us to solidify and broaden our client base by enhancing market awareness of our services and our ability to target real estate consumers more effectively than other advertising media providers. We believe that our relationships within the real estate sector, particularly among property developers, are already strong and well developed, and we intend to further solidify these existing relationships and to approach new developers by organizing industry events, disseminating useful real estate research reports and continuing to offer high quality listing and advertising services. We also believe our real estate related reports are widely used by industry professionals, government entities, academic institutions and financial institutions and contribute to our reputation as a leading authority on China's real estate industry. We intend to continue to strengthen our research capabilities and industry expertise to further solidify our reputation as a leading authority on China's real estate industry.

- ***Grow Our Advertiser Base Within and Beyond the Real Estate Sector***

Because of its recent emergence and rapid growth, China's real estate and home furnishing and improvement sectors are highly fragmented and competitive, and include many small and mid-sized

enterprises that desire to advertise their products and services and distinguish themselves from competitors through advertising channels that are targeted, effective and cost-effective. Although we already count many of China's largest property developers as listing and advertising clients, part of our strategy is to introduce to small and mid-sized advertisers the advantages of our web site as a more targeted and cost-effective advertising medium, as compared to more expensive traditional advertising media, such as television, outdoor billboard or print media advertising. Through this strategy, we hope to capture a wider base of advertising clients and a higher portion of overall advertising spending in China.

As a web site focused primarily on users that are interested in real estate and home-related information, we believe our users represent a highly desirable group of target customers for advertisers both within and beyond the real estate and home furnishing and improvement sectors. Because we believe that many consumers of real estate represent persons or families with increasing disposable income, we intend to explore opportunities to market our advertising services to advertisers outside the real estate and home-related sectors, including electronic appliance retailers, suppliers of financials services and providers of other consumer goods. Particularly in the more developed real estate markets that we cover, such as Beijing, Shanghai and Shenzhen, where we have already developed strong advertising, new home listing and secondary and rental property listing revenues, we intend to pursue this strategy as a means to broaden our overall advertiser base and expand our sources of revenue. In the other real estate markets that we cover that are less well developed and in which we currently focus on new property listings, we intend to broaden our advertiser base to include advertising and listing of secondary and rental properties, as the secondary and rental property markets begin to grow and develop in these local markets.

- ***Enhance the Community-oriented Offerings on Our Web Site***

We intend to further develop the quality and functionality of our community-oriented services by, for example, offering featured online discussions and increasing the amount of user-generated content in order to increase the number of visitors to our web site who use our community-oriented offerings. Our strategy is to use our community-oriented offerings to increase user loyalty and build up a core group of users, which should help us provide more targeted advertising services to clients and to improve the effectiveness of our advertising services, which we believe will attract more advertisers to our web site and help us to capture a larger portion of overall advertising spending from existing and new advertising clients.

- ***Continue to Invest in New Technologies and Features of Our Web Site***

We intend to continue to invest resources in technology and product development to improve our systems and introduce new features on our web site. Given the increasing user traffic on our web site, we believe that it is important to continue to invest in expanding and upgrading our technology systems in order to maintain and enhance the performance of our web site. We also believe that the Internet provides many opportunities for offering new features and functionalities to our web users and developing new services to generate additional revenues. Potential new features and services we plan to develop include enhanced listing features and other features and functions on our web site designed to enhance user experience as well as create potential new sources of revenue, such as auction-based priority listing and providing a platform for electronic commerce.

- ***Pursue Selective Acquisitions and Alliances***

Although we have no current agreements or understandings to acquire any specific businesses, we will from time to time consider the strategic acquisition of assets, technologies and businesses that are

complimentary to our business. We also intend to continue pursuing strategic alliances with market leaders to further broaden our customer base and product and service offerings.

PRODUCTS & SERVICES

Product and services are split by customer segment:

- New Homes: Display and listing advertising for new developments, total web solutions, and promotional events (mainly developers)
- Home Furnishing/ Improvement: Display and listing advertising for home furnishings, total web solutions, and industry research and promotion events, targeted mostly at new home buying process related parties (companies involved in design, decorating, materials etc)
- Resale & Rental: Listing and display advertising for resale and rental properties, industry research and promotion events (mainly real estate agents and brokers)
- Research: Operations of the China Index Academy, research based branding & listing services, producing database and research reports for industry and government

BUSINESS DEVELOPMENT

The company will establish a Business Development Department to look for new directions of expansion, either through internal organic growth or through merger and acquisition when opportunities present themselves.

MARKETING & SALES

The company will strengthen its hiring and training of sales team and hiring more marketing staff. A system of nation wide marketing efforts will be initiated.

IT/WEBSITE

Other than routine operations, a new research team will be established to study and plan for the second generation technology platform for www.SouFun.com. New web sites related to our existing operations will also be explored and initiated when applicable. More technology and website information and editorial staffs will be hired with the expansion of more web sites and extra functions.

HUMAN RESOURCES

We recently hired Ms. Ye Zhu as the new HR director who has extensive experiences with Nasdaq, Hong Kong Exchange, and mainland China listed companies. She will strengthen the HR system and enhance hiring, training, and retaining both executives and general staff members.

FINANCE DEPARTMENT

Internal control and financial reporting system will be enhanced. The company plan to hire a new experienced controller. An upgrade of financial reporting software shall take place together with extensive training of financial staffs.

BACK OFFICE SYSTEM

With the aggressive geographic expansion of our business into more cities, a back office system is necessary to support local operations more effectively. The company will start studying a suitable Back Office System.

OTHER NEW INITIATIVES

In addition to operating in the ordinary course, Soufun will undertake the following initiatives:

- Continue planned geographic expansion of the business into 10 new cities (mainly New Homes business unit), this typically involves:
  a. Hiring a local team (sales, editorial, G&A)
  b. Establishing a local website
  c. Exploring partnership opportunities with local portals and websites
  d. Marketing & Sales (trade shows, advertising, face-to-face etc)
- Rapidly grow the Resale & Rental and Home Furnishing business units, by through expanding into cities where there is already a new homes presence
- Product development and testing in monetising Soufun's strong "community" operations

FINNANCIAL PROJECTIONS FOR PERIOD ENDING 31, DEC 06 (attached)

SouFun's revenues are more accurately predicted on a quarterly basis, therefore while monthly estimates are shown below — there is often variance on a month-by-month basis. The attached financial projection is an aggressive one and achievability ranges from 80-100%.

SouFun Holdings Limited

Profit and Loss Statement Projection (aggressive projection, achievement from 80-100%)

	USD 2006 Sep	USD 2006 Oct	USD 2006 Nov	USD 2006 Dec	USD Total
Sales	4,467,762	3,613,589	4,329,210	5,283,622	17,694,183
Business taxes and surcharges	(290,405)	(234,883)	(281,399)	(343,435)	(1,150,122)
Net revenue	4,177,358	3,378,705	4,047,811	4,940,187	16,544,061
Cost of sales	(846,505)	(573,891)	(718,044)	(708,397)	(2,846,837)
Gross profit	3,330,852	2,804,815	3,329,767	4,231,790	13,697,224
Sales and marketing expenses	(1,026,939)	(1,158,038)	(1,231,620)	(1,290,378)	(4,706,975)
General and administrative expenses	(678,684)	(695,605)	(909,726)	(879,846)	(3,163,861)
R&D expense	(150,291)	(115,602)	(134,568)	(162,840)	(563,301)
Total operating expenses	(1,855,913)	(1,969,245)	(2,275,914)	(2,333,065)	(8,434,137)
Income from operations	1,474,939	835,570	1,053,853	1,898,725	5,263,087
Interest income	14,594	14,619	17,094	18,344	64,652
Exchange gain	3,134	2,301	3,320	4,529	13,284
Profit before income taxes	1,492,668	852,490	1,074,267	1,921,598	5,341,024
Income tax expense	(96,387)	(96,387)	(96,387)	(96,387)	(385,547)
Net profit	1,396,281	756,104	977,881	1,825,212	4,955,477

Schedule 7
Integration Plan

SOUFUN HOLDINGS LIMITED — INTEGRATION PRINCIPLES

This document is intended to outline the key principles agreed between the parties in relation to the integration of the Company with Telstra/Sensis.

A detailed integration plan will be agreed and followed post-completion and will include the key areas which are described herein:

KEY PRINCIPLES

Integration Principle	Comment	Implication for Integration
Sensis will commit resources to assist the Company	Sensis is anticipating dedicating resources to the Company's business on a full-time basis. The costs of these resources will be borne by Sensis, however this arrangement will need to be reviewed at the time of the IPO	Sensis is currently anticipating the following: • Senior manager • Commercial manager • Finance support • Sensis specialists as required
Integration management	Sensis will have a senior manager as the integration manager, who will be the point contact and "channel" for integration activities	
Governance Standards	The Company will need to comply with certain governance standards required by Telstra/ Sensis	Example areas include: • Compliance with relevant Telstra taxation policies as applicable in PRC (eg. compliance with relevant tax laws and regulations, review of tax return by external adviser approved by Telstra) • Compliance with monthly reporting — details and process to be discussed with Sensis • Appropriate corporate governance
Telstra has a 30 June year end	Telstra reports to a 30 June year end, which is different to the Company's 31 Dec year end	• Telstra will require accounts to be prepared for the y/e 30 June in order to be included in our consolidated accounts will comply with Australian GAAP. The cost of this will be borne by Sensis

Integration Principle	Comment	Implication for Integration
		• These accounts will be subject to a review by Telstra's auditors. The full audit will continue to take place for the year ending at 31 Dec
Telstra's auditors	Telstra's policy is to use one audit firm across the business (currently Ernest & Young), absent material reason for using another firm, and competitive pricing	• Current plan is for KPMG to continue as the company auditors until the year ended 31 Dec 07. The situation will then be reviewed by the Company and Telstra/ Sensis

MAIN INTEGRATION TASKS

Integration Task[1]	Comment	Preferred Timeline[2]
Establish monthly reporting format and process	For business performance monitoring and reporting to Sensis (and Telstra)	• Agree final form of monthly reporting within in first 60 days following Closing
Agree board timetable and establish board committees	Times and locations of board meetings to be agreed	• Agree in first 30 days following Closing
Bonus scheme	Vincent's management agreement does not yet include a bonus scheme. The intention is for this to be approved at the first board meeting.	• Sensis to consult with Vincent within 60 days of completion
2007 Business plan	The Company is required to submit its 2007 business plan to the board 45 days prior to 31 December 2006 Sensis will provide the Company with assistance in developing this plan.	• Sensis to start assisting the business in preparing this plan mid-October
Business Continuity	The Company does not have disaster recovery infrastructure in place	• The Company and Sensis to develop a plan to implement disaster recovery infrastructure (plan developed by end month 3) • Implement business continuity insurance as deemed appropriate (if not covered by IDC's)
Sojiji	The business of Sojiji is included in the transaction however may not have been transferred at the time of this agreement. Vincent Mo has agreed to transfer this business, however it is immaterial and will be done post completion	• Soufun CFO to determine the most effective way of transferring the business • Transfer Sojiji business at earliest convenience (within 6 months)

1 This list of integration tasks is not exhaustive and additional tasks may be included by agreement of CEO and Telstra.

2 The details listed in the column represent a 'preferred' timeline and as such are not definitive or exhaustive. To the extent that further actions may be required to implement the corresponding integration task then these may be added at a later date by agreement of CEO and Telstra.

Integration Task[1]	Comment	Preferred Timeline[2]
Finance and business systems review	Potential to enhance the performance, efficiency and reporting capability of the business through further development of the Company's systems (finance, ad management and contract management) Sensis will assess the possibility for Soufun to leverage Telstra finance software licenses	• The Company to review and establish, Sensis' assistance, a plan develop the system and reporting capability • Planned to start by month 3
Financial and governance processes, reporting and skill base	The business has made many changes already, Sensis will help to accelerate this to ensure financial reporting and governance is efficient and to a good standard	• Help CFO develop and execute a "blue-print" for the finance function based on review of internal controls and reporting
Tax planning and processes	Due diligence revealed a number of areas where tax activities of the company may not be in accordance with Telstra tax policies	• Review tax activities, planning and process with the Company's CFO to ensure compliance with relevant Telstra tax policies
Establish approach to maximise value and opportunity between the Company and Sensis (strategic workshops etc)	The best approach will be discussed post-completion, however may involve semi-annual strategic and business development workshops	• Agree best way to achieve this outcome • Agree timetables, location
Explore opportunities to enhance the value and revenues of the Company	These will be assessed in the post- completion period, but may include: • Sales effectiveness (eg. collateral, performance management etc) • New advertising models • Increased monetisation of community sites • Training of managers, leveraging Sensis experience and know how • Improving recruiting effectiveness leverage Sensis	• No specific timeline

Integration Task[1]	Comment	Preferred Timeline[2]
Monitor the development of the Company's trademark ownership	The Company is in the process of seeking trademark registrations which have been objected to	• Sensis and the Company to discuss and develop a strategy to address this issue
Trademark control	Trademarks have been transferred outside the Group Companies to LicenceCos to comply with MII Circular	• The Company to put in place licence back arrangements and call options in respect of transferred Trademarks from LicenceCo to the Company and/or Group Companies
Monitor the licensing situation in respect of the Group	For example, the current VAS, VAS Mobile and ICP Licence situation in the Group is not satisfactory.	• Sensis to monitor • The Company to ensure that the correct entities hold the required licences
News Posting and Internet Publishing Activities	The Company currently engages in activities that could be regarded as news posting and internet publishing, however it does not have the necessary approvals from the authorities in the PRC.	• Sensis and the Company to discuss how best to proceed in this respect.
Register property leases	The property leases enjoyed by the Group Companies are required to be registered to be enforceable	• The Company to register property leases
Content monitoring system	The Company and Sensis to verify that there is an adequate monitoring system to ensure there is no violation of State secrets	• The Company to review and if determined necessary implement
Company Structure	The Company secures effective control of the Licence Companies through contractual arrangements. The current plan is to alter the structure, if feasible, so that the Licence Companies become FITE's or FIAE's owned either solely by the Company or under a JV structure.	• Sensis to monitor • Feasibility study to be carried out at the appropriate time in relation to the conversion of the Licence Companies into FITE's or FIAE's. • The Company to potentially restructure if feasible in accordance with SHA in order to gain equity interest in the Licence Companies for the Company

Integration Task[1]	Comment	Preferred Timeline[2]
Security of BBS Users	The Company shoul provide an adequate system, utilising standard technical security measures, to protect the security and integrity of all BBS users	• Company to work with Sensis to ensure adequate systems are in place to protect security and confidentiality of BBS users.
Registration of Leases	Certain leases have not been registered with the relevant government authorities	• Company to work with Sensis to complete registration of all leases held by the Company
Employment contracts	• Not all employees have employment contracts, whilst some employment contracts have been entered into by the wrong entity • The staff handbook has not been made available to staff	• All employees should enter into employment contracts directly with their employer • Staff handbook to be distributed to all employees.
Social Security Funds	The PRC Subsidiaries and PRC Affiliates have underpaid certain social insurance contributions and housing fund contributions.	• Company to study and find a way to solve this problem

SouFun Holding Limited

Stock Related Award Incentive Plan

(see Appendix: Stock Related Award Incentive Plan and Administration before the Company's IPO)

By signing this agreement, the GRANTEE (employees and directors) and the Company (SouFun Holdings Limited) confirm the stock related incentive arrangement between the GRANTEE and the Company since the employee started working with the Company. This agreement is for stock related award incentive plans before the Company's stocks become publicly tradable. Both the GRANTEE and the Company present that the above terms are true and accurate and that, except for the options referred above, the GRANTEE does not own shares in the Company or options to purchase the shares of the Company.

GRANTEE

_____

Signature

_____

Print Name

SOUFUN HOLDINGS LIMITED

By: _____

Print Name: Tianquan Mo

Title: Chairman of the Board

APPENDIX: Stock Related Award Incentive Plan and Administration before the Company's IPO

1. Purposes of the Plan. The purposes of this Stock Related Award Incentive Plan are to attract and retain the best available personnel, to provide additional incentive to Employees and Directors for a long term of commitment to the success of the Company's business.

2. Administrator. The Company Chairman and CEO is acting as the Administrator who is authorized under the Plan to award any type of arrangement to an Employee and Director that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) an Option, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or (iii) any other security with the value derived from the value of the Shares. Such Awards include, without limitation, Options, and an Award may consist of one such security or benefit or two (2) or more of them in any combination or alternative.

3. Conditions of Awards. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. The performance criteria established by the Administrator may be based on any one of, or combination of, increase in share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measure of performance selected by the Administrator. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

4. Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner before the Company's IPO.

5. Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator. Notice of the grant determination shall be given to each Employee and Director to whom an Award is so granted.

6. Exercise of Awards. Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement, but in the case of an Option, in no case at a rate of more than 40% per year over the vesting period from the date the Option is granted. Notwithstanding the foregoing, in the case of any Award granted to an Officer and Directort, the Award Agreement may provide that the Award may become exercisable, subject to reasonable conditions such as such Officer's and Director's Continuous Service, at any time or during any period established in the Award Agreement. Before the Company accomplishes its IPO and its stocks become publicly tradable, if GRANTEE terminates its employment relationship with the Company for whatever reason, the award (no matter vested or not) will be in the Company's disposal and become void. After the Company's IPO and its stocks become

publicly tradable, a new Stock Related Award Incentive Plan will be adopted for the exercise of award.

7. Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax, employment tax, and social security tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares or the disqualifying disposition of Shares received on exercise of an Incentive Stock Option. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax obligations and/or the employer's withholding obligations.

8. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. In addition, the Option, if an Incentive Stock Option, may not be exercised until such time as the Plan has been approved by the shareholders of the Company.

9. Change in control. In the event of a "change in control" (as defined below) or a merger of the Company, each outstanding stock option may be assumed or an equivalent stock option or right may be substituted by the successor corporation. In the event that no such substitution or assumption occurs, the outstanding stock options will automatically vest and become exercisable for a period of 30 days, after which the stock options will terminate. "Change in Control" means the consummation of one of the following: (i) the acquisition of fifty percent (50%) or more of the total voting power represented by the Company's outstanding voting securities pursuant to a tender offer validly made under federal or state law(other than by virtual of repurchase by the Company not involving any related issuances to an acquirer); (ii) a merger, reverse merger, consolidation or other reorganization of the Company (other than a reincorporation of the Company) (a "Corporate Transaction"), if after giving effect to a Corporate Transaction, the shareholders of the Company immediately prior to such Corporate Transaction do not represent a majority in interest of the holders of the voting securities (on a fully diluted basis) of the surviving or resulting entity after the Corporate Transaction; (iii) the sale, transfer or other disposition of substantially all of the assets of the Company; or (iv) the dissolution of the Company pursuant to action validly taken by the shareholders of the Company in accordance with applicable state law. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur in the event of (a) a liquidation of the Company in connection with the shutdown of the Company's operations, or (b) the acquisition of newly issued securities of the Company by one or more institutional investors (or affiliates thereof) in a transaction or series of related transactions that are primarily undertaken by the Company to obtain financing (and not in connection with any repurchase by the Company or other purchase of outstanding securities).

10. Conditions to void the options. All of GRANTEE's options will become void and all exercised options and any proceed from those exercised options shall be given back to the Company for the following CAUSES: 1) (i) any act of fraud taken by the GRANTEE in connection with his/her responsibilities and intended to result in substantial personal enrichment to the GRANTEE; (ii) conviction of a felony not involving a motor vehicle; (iii) GRANTEE's willful act which constitutes gross misconduct and which is materially injurious to the Company; (iv) violation of your

employment agreement with the Company; or (v) your incurable material breach of any element of the Company's Employee Patent and Confidential Information Agreement, including without limitation, your theft or other misappropriation of the Company's proprietary information; provided that such breach is not done in a good faith belief of the best interests of the Company; 2) During the term of the GRANTEE's employment with the Company and for 24 months thereafter, the GRANTEE accepts or procures any ownership interest in, employment with, or provide any consulting services to or otherwise assist, any person, corporation, partnership or other entity which is engaged in real estate and home furnishing media (including both online and offline) business and other businesses in competition with the Company; 3) The GRANTEE solicits, induces, encourages or otherwise causes any other officer or employee of the Company to terminate such officer's or employee's employment with the Company.

11. Trust Arrangement. The options granted to the GRANTEE and subsequently, the common shares resulted from option exercise will be put into a representative trust or Company which will act as direct shareholding entity to the Company, together with those of other Grantees.

12. Currency. The prevailing currency of this Stock Related Award Incentive Plan shall be US$. For the convenience of the Grantee, the prices may be quoted by HK$ or RMB based upon the exchange rate on award date.

13. Reservation. Before the IPO and the Company's stocks become publicly tradable, the Company reserves the rights to change and revert any terms of this Stock Related Award Incentive Plan.

14. Valid term. The stock related award will be valid for ten years.

SOUFUN HOLDINGS LIMITED

2010 STOCK INCENTIVE PLAN

July 2, 2010

1. Purposes of the Plan. The purposes of this Stock Incentive Plan are to attract and retain the best available personnel, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or the Committee.

(b) "Applicable Laws" means the legal requirements relating to the administration of stock incentive plans, if any, under applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any foreign jurisdiction applicable to Awards granted to residents therein.

(c) "Award" means the grant of an Option or other right or benefit under the Plan.

(d) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, a form of which is attached hereto as the Stock Option Award Agreement, including any amendments thereto.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" has the meaning as defined in the Award Agreement.

(g) "Code" means the United States Internal Revenue Code of 1986, as amended.

(h) "Committee" means any committee appointed by the Board to administer the Plan.

(i) "Company" means SouFun Holdings Limited, an exempted company incorporated and existing under the laws of the Cayman Islands.

(j) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity or whom the Board determines has made contributions to the business or other development of the Company.

(k) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. Continuous Service shall not be considered interrupted

in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days unless reemployment upon expiration of such leave is guaranteed by statute or contract.

(l) "Corporate Transaction" has the meaning as defined in the Award Agreement.

(m) "Director" means a member of the Board or the board of directors of any Related Entity.

(n) "Disability" has the meaning as defined in the Award Agreement.

(o) "Employee" means any person, including an Officer or Director, who is an employee of the Company or any Related Entity. The payment of an independent director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(p) "Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

(q) "Exercise Price" has the meaning as defined in the Award Agreement.

(r) "Fair Market Value" means, as of any date, the value of Ordinary Shares as follows:

(i) Where there exists a public market for the Ordinary Shares, the Fair Market Value shall be (A) the closing price for a Share for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by the Administrator to be the primary market for the Ordinary Shares or the New York Stock Exchange, whichever is applicable or (B) if the Ordinary Shares are not traded on any such exchange or national market system, the average of the closing bid and asked prices of a Share on the NYSE for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(ii) In the absence of an established market for the Ordinary Shares of the type described in (i), above, the Fair Market Value thereof shall be determined by the Administrator in good faith by reference to the placing price of the latest private placement of the Shares and the development of the

Company's business operations since such latest private placement; provided that, with respect to any Grantee subject to Section 409A of the Code, Fair Market Value shall be determined in a manner consistent with the requirements of such section;

provided, however, that such value of Ordinary Shares, for purposes of this Plan, shall not be lower than HK$1.00 per Share with adjustments permitted for recapitalization, share split or combination and share dividends occurring subsequent to the date of this Plan.

(s) "Grantee" means an Employee, Director or Consultant who receives an Award under the Plan.

(t) "Immediate Family" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Grantee's household (other than a tenant or employee), a trust in which these persons (or the Grantee) have more than fifty percent (50%) of the beneficial interest, a foundation in which these persons (or the Grantee) control the management of assets, and any other entity in which these persons (or the Grantee) own more than fifty percent (50%) of the voting interests.

(u) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(v) "Non-Qualified Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(w) "Officer" means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) "Option" means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.

(y) "Ordinary Share" or "Share" means an ordinary share, HK$1.00 par value, of the Company, or the number or fraction of American Depositary Shares representing such ordinary share.

(z) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "Plan" means this 2010 Stock Incentive Plan.

(bb) "Registration Date" means the first to occur of (i) the closing of the first sale to the general public of (A) Ordinary Shares or American depositary shares or (B) the same class of securities of a successor corporation (or its Parent) issued pursuant to a Corporate Transaction in exchange for or in substitution of the Ordinary Shares, pursuant to a registration statement filed with and declared effective by the

SEC under the Securities Act; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the SEC under the Securities Act, on or prior to the date of consummation of such Corporate Transaction.

(cc) "Related Entity" means any Parent, Subsidiary and any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or a Subsidiary holds a substantial ownership interest, directly or indirectly or any of the Variable Interest Entities.

(dd) "SEC" means the United States Securities and Exchange Commission.

(ee) "Securities Act" means the United States Securities Act of 1933, as amended.

(ff) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

(gg) "Variable Interest Entities" means Beijing SouFun Internet Information Service Co., Ltd., Beijing Jia Tian Xia Advertising Co., Ltd., Beijing SouFun Science and Technology Development Co., Ltd., Beijing China Index Information Co., Ltd., Shanghai Jia Biao Tang Advertising Co., Ltd., Shanghai SouFun Advertising Co., Ltd., Beijing Century Jia Tian Xia Technology Development Co., Ltd., Tianjin Jia Tian Xia Advertising Co., Ltd., Shanghai China Index Consultancy Co., Ltd., Beijing Litianrongze Science and Technology Development Co., Ltd., Tianjin Xinrui Jia Tian Xia Advertising Co., Ltd. and any future variable interest entities which the Company consolidates in its financial statements.

3. Stock Subject to the Plan.

(a) Subject to the provisions of Section 10 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Stock Options) is up to ten percent (10%) of the aggregate number of Shares issued and outstanding from time to time and Shares issuable upon conversion of any preferred shares of the Company issued and outstanding from time to time.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited or cancelled, expires or is settled in cash, shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. If any unissued Shares are retained by the Company upon exercise of an Award in order to satisfy the exercise price for such Award or any withholding taxes due with respect to such Award, such retained Shares subject to such Award shall become available for future issuance under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan.

4. Administration of the Plan.

(a) Plan Administrator. With respect to grants of Awards to Employees, Directors, or Consultants, the Plan shall be administered by (A) the Board or (B) the Committee (or a subcommittee of the Committee designated by the Board), which Committee shall be constituted in such a manner as to satisfy Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder) and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;

(ii) to determine whether and to what extent Awards are granted hereunder;

(iii) to determine the number of Shares or the amount of consideration to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions and to afford Grantees favorable treatment under such rules or laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan;

(vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan; and

(ix) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

5. Eligibility. Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. Incentive Stock Options may be granted only to employees of the Company, a Parent or a Subsidiary. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors or Consultants who are residing in foreign jurisdictions as the Administrator may determine from time to time.

6. Terms and Conditions of Awards.

(a) Type of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) an Option, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or (iii) any other security with the value derived from the value of the Shares. Such Awards include, without limitation, Options, and an Award may consist of one such security or benefit or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds US$100,000, such excess Options, to the extent of the Shares covered thereby in excess of the foregoing limitation, shall be treated as Non-Qualified Stock Options. For this purpose, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. The performance criteria established by the Administrator may be based on any one of, or combination of, increase in share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measure of performance selected by the Administrator. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding Awards or obligations to grant future Awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. Subject to applicable laws, the Administrator may establish one or more programs under the Plan to permit selected

Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Award Exchange Programs. The Administrator may establish one or more programs under the Plan to permit selected Grantees to exchange an Award under the Plan for one or more other types of Awards under the Plan on such terms and conditions as determined by the Administrator from time to time.

(g) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(h) Early Exercise. Any Award granted hereunder shall have a vesting period of no less than four (4) years with one-fourth of the options under any Award to vest at each anniversary of the date of grant of such Award; provided, however, that any Award granted to an Employee or Consultant may vest upon such grant or be subject to a different vesting schedule if so decided by the Board and set forth in the Award Agreement with, and the relevant Award notice to, such Consultant. The Award Agreement may, but need not, include a provision whereby the Grantee may elect, at any time while being an Employee, Director or Consultant, to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(i) Term of Award. The term of each Award shall be the term stated in the Award Agreement. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stocks representing more than ten percent (10%) of the voting power of all classes of the stocks of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be four (4) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

(j) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee; provided, however, that the Grantee may designate a beneficiary of the Grantee's Incentive Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Other Awards shall be transferred by will and by the laws of descent and distribution, and during the lifetime of the Grantee, by gift and/or pursuant to a domestic relations order to members of the Grantee's Immediate Family to the extent and in the manner

determined by the Administrator. Except as set forth in this Section (j), no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Award or attempt to do so. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

(k) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator. Notice of the grant determination shall be given to each Employee, Director or Consultant to whom an Award is so granted within a reasonable time after the date of such grant.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stocks representing more than ten percent (10%) of the voting power of all classes of stocks of the Company or any Parent or Subsidiary, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant unless otherwise determined by the Administrator; provided, however, that such per Share exercise price shall be one hundred percent (100%) with respect to any Grantee subject to Section 409A of the Code.

(iii) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(d) above, the exercise or purchase price for the Award shall be determined in accordance with the principles of Section 424(a) of the Code or other Applicable Law.

(iv) Notwithstanding the foregoing provisions of this Section 7(a), if the exercise price determined pursuant to the foregoing shall fall below the par value of the Shares, the exercise price shall be the par value of the Shares.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) cash or check in U.S. dollars (in connection therewith the Administrator may require the Grantee to provide evidence that the funds were taken out of the People's Republic of China in accordance with applicable foreign exchange control laws and regulations);

(ii) cash or check in Hong Kong dollars (in an amount converted from U.S. dollars at the rate announced by banks in Hong Kong on the date the Exercise Notice (in the form set forth in the Award Agreement) is received by the Company);

(iii) cancellation of indebtedness owed by the Company to the Grantee; or

(iv) any combination of the foregoing methods of payment.

(c) Taxes.

(i) As a condition of the exercise of an Award under the Plan, the Grantee (or in the case of the Grantee's death, the person exercising the Award) shall make such arrangements as the Administrator may require or permit for the satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with the exercise of an Award and the issuance of Shares. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(ii) In the case of an Employee and in the absence of any other arrangement, the Employee shall be deemed to have directed the Company to withhold or collect from his or her compensation an amount sufficient to satisfy such tax obligations from the next payroll payment otherwise payable after the date of an exercise of the Award.

(iii) In the case of a Grantee other than an Employee (or in the case of an Employee where the next payroll payment is not sufficient to satisfy such tax obligations, with respect to any remaining tax obligations), upon and after the Registration Date, in the absence of any other arrangement and to the extent permitted under the Applicable Laws, such Grantee shall be deemed to have elected to have the Company withhold from the issue of the Shares to be issued upon exercise of the Award that number of Shares having a Fair Market Value determined as of the applicable Tax Date (as defined below) equal to the amount required to be withheld. For purposes of this Section 7, the Fair Market Value of the Shares to be withheld shall be determined on the date that

the amount of tax to be withheld is to be determined under the Applicable Laws (the "Tax Date").

(iv) At the discretion of the Administrator, a Grantee may satisfy his or her tax withholding obligations arising in connection with an Award by one or some combination of the following methods: (A) by cash payment; (B) by payroll deduction out of Grantee's current compensation; (C) if permitted by the Administrator, in its discretion, a Grantee may satisfy his or her tax withholding obligations upon exercise of an Award by surrendering to the Company Shares that (1) in the case of Shares previously acquired from the Company, have been owned by the Grantee for more than six (6) months on the date of surrender, and (2) have a Fair Market Value determined as of the applicable Tax Date equal to the amount required to be withheld; or (D) if permitted by the Administrator, in its discretion, a Grantee may satisfy his or her tax withholding obligations by electing to have the Company withhold from the Shares to be issued upon exercise of the Award that number of Shares having a Fair Market Value, determined as of the applicable Tax Date, equal to the amount required to be withheld.

(v) Any election or deemed election by a Grantee to have Shares withheld to satisfy tax withholding obligations under Section 7(c)(iii) or (iv) above shall be irrevocable as to the particular Shares as to which the election is made or deemed made and shall be subject to the consent or disapproval of the Administrator. Any election by a Grantee under Section 7(c)(iv) above must be made on or prior to the applicable Tax Date.

(vi) In the event that an election to have the issue of Shares withheld is made by a Grantee and the Tax Date is deferred under Section 83 of the Code because no election is filed under Section 83(b) of the Code, the Grantee shall receive the full number of Shares with respect to which the Award or Option is exercised but such Grantee shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Shareholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement, but in the case of an Option, in no case at a rate of more than one fourth per year over the vesting period from the date the Option is granted. Notwithstanding the foregoing, in the case of any Award granted to an Officer, Director or Consultant, the Award Agreement may provide that the Award may become exercisable, subject to reasonable conditions such as such Officer's, Director's or Consultant's Continuous Service, at any time or during any period established in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares is made with respect to which the Award is exercised. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to Shares subject to an Award, notwithstanding the exercise of an Option or other Award. The Company shall issue (or cause to be issued) such stock certificate promptly upon exercise of an Award. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in the Award Agreement or Section 10 below.

(b) Exercise of Award Following Termination of Continuous Service.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent allowed under the Award Agreement and if such Grantee's Continuous Service was terminated without Cause, in which case, the Grantee shall be entitled to exercise any outstanding Awards within three (3) months of the date of such termination or such other period as may be designated in the Award Agreement. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service. In no event shall the Option be exercised later than the Expiration Date set forth in the Notice of Stock Option Award.

(ii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by Applicable Laws for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service without Cause shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such for a period as set forth under Section 8(b)(i) above.

(c) "Easy Sale" Exercise. In lieu of the payment methods set forth herein, when permitted by Applicable Laws and applicable regulations (including NYSE and FINRA rules), the Grantee may pay the Exercise Price through a "same day sale" commitment from the Grantee (and, if applicable, a broker-dealer that is a member of the Financial Industry Regulaory Authority (a "FINRA Dealer")), whereby the Grantee irrevocably elects to exercise his/her Options and to sell at least that number of Shares so purchased to pay the Exercise Price (and up to all of the Shares so purchased) and the Grantee (or, if applicable, the FINRA Dealer) commits upon sale (or, in the case of the FINRA Dealer, upon receipt) of such Shares to forward the Exercise Price directly to the Company, with any sale proceeds in excess of the Exercise Price being for the benefit of the Grantee.

9. Conditions Upon Issuance of Shares.

(a) Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation or warranty is required by any Applicable Laws.

10. Adjustments Upon Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Shares to which Section 424(a) of the Code applies or a similar transaction; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

11. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Section 16 below and Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

12. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan. To the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) Any amendment, suspension or termination of the Plan (including termination of the Plan under Section 12(a) above) shall not affect Awards already granted, and such Awards shall remain in full force and effect as if the Plan had not been amended, suspended or terminated unless mutually agreed otherwise between the Grantee and the Administrator, which agreement must be in writing and signed by the Grantee and the Company.

13. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of authorized but unissued Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

14. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the Company's right to terminate the Grantee's Continuous Service at any time, with or without Cause.

15. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Pension Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

16. Shareholder Approval. The grant of Incentive Stock Options under the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted excluding Incentive Stock Options issued in substitution for outstanding Incentive Stock Options pursuant to Section 424(a) of the Code. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws. The Administrator may grant Incentive Stock Options under the Plan prior to approval by the shareholders, but until such approval is obtained, no such Incentive Stock Option shall be exercisable. In the event that shareholder approval is not obtained within the twelve (12) month period provided above, all Incentive Stock Options previously granted under the Plan shall be exercisable as Non-Qualified Stock Options.

17. Cancellation of Awards. Any cancellation of Awards granted but not exercised must be approved by the Grantees of the relevant Awards in writing. For the avoidance of doubt, such approval is not required in the event any Award is cancelled pursuant to Section 6(j). Where the Company cancels Options, the grant of new options to the same Grantee may only be made under this Plan within the limits set out in Section 3.

18. Applicable Law. The Plan is to be construed in accordance with and governed by the internal laws of the Cayman Islands.

Exhibit 4.7

EXECUTION VERSION

INVESTOR'S RIGHTS AGREEMENT

by and among

SOUFUN HOLDINGS LIMITED,

GENERAL ATLANTIC MAURITIUS LIMITED,

HUNT 7-A GUERNSEY L.P. INC,

HUNT 7-B GUERNSEY L.P. INC,

HUNT 6-A GUERNSEY L.P. INC,

NEXT DECADE INVESTMENTS LIMITED,

MEDIA PARTNER TECHNOLOGY LIMITED

and

DIGITAL LINK INVESTMENTS LIMITED

Dated: August 13, 2010

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INVESTOR'S RIGHTS AGREEMENT

INVESTOR'S RIGHTS AGREEMENT, dated August 13, 2010 (this "Agreement"), by and among SouFun Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), General Atlantic Mauritius Limited, a Mauritius private company limited by shares (the "GA Shareholder"), Hunt 7-A Guernsey L.P. Inc ("Apax 7-A"), Hunt 7-B Guernsey L.P. Inc ("Apax 7-B") and Hunt 6-A Guernsey L.P. Inc ("Apax 6-A" and, together with Apax 7-A and Apax 7-B, collectively, the "Apax Shareholder" and, together with the GA Shareholder, the "Investors"), Next Decade Investments Limited, a limited liability company incorporated in the British Virgin Islands ("Next Decade"), Media Partner Technology Limited, a limited liability company incorporated in the British Virgin Islands ("Media Partner") and Digital Link Investments Limited, a limited liability company incorporated in the British Virgin Islands ("Digital Link" and, together with Next Decade and Media Partner, the "Offerees").

WHEREAS, on the date hereof, Telstra International Holdings Limited, an exempted company incorporated under the laws of Bermuda (the "Seller"), the GA Shareholder, the Apax Shareholder, Next Decade and Digital Link entered into a Share Purchase Agreement (as amended from time to time, the "Share Purchase Agreement"), pursuant to which the GA Shareholder, the Apax Shareholder, Next Decade and Digital Link agreed to purchase certain Class A Ordinary Shares, par value HK$1.00 per share (the "Class A Ordinary Shares"), of the Company from the Seller.

WHEREAS, in order to induce the GA Shareholder and the Apax Shareholder to agree to the transfer restrictions set forth in Article II of this Agreement, the Company agrees to provide the covenants, representations and warranties set forth in this Agreement.

WHEREAS, on the date hereof, the Company, the GA Shareholder and the Apax Shareholder are entering into the Registration Rights Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Acceptance Notice" has the meaning set forth in Section 2.3(b) of this Agreement.

"Acquisition Proposal" means any proposal or offer to acquire all or a substantial part of the business, assets or properties of the Company or its Subsidiaries or Capital Stock of the Company resulting in a change of control of the Company, directly or indirectly, whether by merger, scheme, arrangement, consolidation, tender offer, exchange offer, business combination, sale of substantial assets, reorganization, recapitalization, joint venture or similar transaction involving the Company or its Subsidiaries, divisions or operations or principal business units.

"Additional Securities" means Capital Stock or convertible debt of the Company, convertible into or exchangeable for shares of Capital Stock or any option or warrant for such securities.

"ADS" means the American depositary shares representing the underlying Class A Ordinary Shares deposited with JPMorgan Chase Bank, N.A. as the depositary.

"Affiliate" shall mean any Person who is an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act; provided that (i) with respect to the Apax Shareholder, "Affiliate" shall include any funds managed or advised by Apax Partners LLP and its Affiliates and (ii) with respect to the GA Shareholder, "Affiliate" shall include any funds managed or advised by General Atlantic Service Company, LLC and its Affiliates.

"Agreement" means this Agreement, as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Alternative Transaction" has the meaning set forth in the Share Purchase Agreement.

"Alternative Transaction Closing Date" has the meaning set forth in Section 9.16(a).

"Apax Designee" has the meaning set forth in Section 3.1 of this Agreement.

"Apax Indemnified Party" has the meaning set forth in Section 7.1(a) of this Agreement.

"Apax Nominee" has the meaning set forth in Section 3.2 of this Agreement.

"Apax Shareholder" has the meaning set forth in the preamble of this Agreement.

"Audited Financial Statements" has the meaning set forth in Section 4.12(b) of this Agreement.

"Authorization" has the meaning set forth in Section 4.3 of this Agreement.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Beijing, China, Melbourne, Australia or the State of New York are authorized or required by law or executive order to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited) or equivalent ownership interests in or issued by such Person (including, without limitation, Class A Ordinary Shares, Class B Ordinary Shares, American Depository Shares representing Class A Ordinary Shares, non-voting or other ordinary shares).

"China" or "PRC" means the People's Republic of China and for the purpose of this Agreement shall exclude Taiwan, the Special Administrative Region of Hong Kong and the Special Administrative Region of Macau.

"Claims" has the meaning set forth in Section 4.5 of this Agreement.

"Class A Ordinary Shares" has the meaning set forth in the recitals to this Agreement.

"Class B Ordinary Shares" means the Class B Ordinary Shares, par value HK$1.00 per share, of the Company.

"Closing" has the meaning set forth in the Share Purchase Agreement.

"Closing Date" has the meaning set forth in the Share Purchase Agreement.

"Co-Transferring Holder" has the meaning set forth in Section 2.4(d) of this Agreement.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble of this Agreement.

"Commission" means the United States Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Competitors" means (a) the Persons named in Schedule 1 attached hereto and (b) any Person that, in the 12 months period immediately preceding the proposed Disposition by any Offeree or Investor, as the case may be, was one of the top three operators in China in the industry of online real estate listing and advertising or the industry of online home furnishing advertising, either in terms of website traffic or in terms of gross revenue.

"Contractual Obligations" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument to which such Person is a party or by which it or any of its property is bound.

"Covered Transaction" means the sale for cash of shares of any Additional Securities, where the primary purpose of such offering is to raise equity capital for the Company. For the avoidance of doubt, the term "Covered Transaction" will not apply to the issuance of (a) Options or Capital Stock of the Company, or warrants therefor, to directors, officers or employees of the Company pursuant to any employee benefit plan, incentive award program or other compensation arrangement or (b) Capital Stock of the Company issued as consideration in a merger or acquisition transaction, other extraordinary business combination or joint venture approved by the Board of Directors.

"Digital Link" has the meaning set forth in the preamble of this Agreement.

"Disposition" has the meaning set forth in Section 2.1 of this Agreement.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Existing Options" has the meaning set forth in Section 4.10(c).

"FCPA" has the meaning set forth in Section 4.7(b) of this Agreement.

"GA Indemnified Party" has the meaning set forth in Section 7.1(a) of this Agreement.

"GA Shareholder" has the meaning set forth in the preamble of this Agreement.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"General Atlantic Designee" has the meaning set forth in Section 3.1 of this Agreement.

"General Atlantic Nominee" has the meaning set forth in Section 3.2 of this Agreement.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Indemnified Parties" has the meaning set forth in Section 7.1(a) of this Agreement.

"Intellectual Property" has the meaning set forth in Section 4.6(a) of this Agreement.

"Indemnity Threshold" shall have the meaning set forth in Section 7.4(c) of this Agreement.

"Investors" has the meaning set forth in the preamble of this Agreement.

"Immediate Family" shall mean, with respect to any natural person, (a) such person's spouse, parents, grandparents, children, grandchildren and siblings (in each case whether adoptive or biological), (b) current spouses of such person's children, grandchildren and siblings (in each case whether adoptive or biological), and (c) estates, trusts, partnerships and other entities of which a material portion of the interests are held directly or indirectly by the foregoing.

"IPO" has the meaning set forth in the Share Purchase Agreement.

"IPO Termination Date" has the meaning set forth in the Share Purchase Agreement.

"Lien" means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favor of any Person and (c) any adverse claim as to title, possession or use.

"Losses" has the meaning set forth in Section 7.1(a) of this Agreement.

"Matching Proposal" means an Investor Proposal, that the Board of Directors of the Company or any committee thereof has in writing determined in its good faith judgment (i) is reasonably likely to be consummated in all material respects in accordance with its terms, taking into account all legal, financial and regulatory aspects of the proposal and the Investors making the proposal, and (ii) if consummated, would result in a transaction at least as favorable to the Company's stockholders from a financial point of view than the transaction contemplated by any Acquisition Proposal.

"Material Adverse Effect" means a material adverse effect on the affairs, management, financial position, shareholders' equity or results of operations of the Company and its consolidated Subsidiaries taken as a whole.

"Media Partner" has the meaning set forth in the preamble of this Agreement.

"Money Laundering Laws" has the meaning set forth in Section 4.7(c) of this Agreement.

"M&A" means the memorandum and articles of association of the Company in effect on the date hereof, as the same may be amended from time to time.

"New Options" means Options of the Company (i) up to an aggregate total of 4,000,000 Options to be issued and granted at the closing of the IPO (but excluding the Existing Options), (ii) each having rights with respect to no more than one Class A Ordinary Share, (iii) each having an exercise price of not less than the IPO Price and (iv) issued and granted to directors, officers or employees of the Company as part of the Company's management incentive arrangements.

"Next Decade" has the meaning set forth in the preamble of this Agreement.

"Non-Transferring Holders" has the meaning set forth in Section 2.4(a) of this Agreement.

"OFAC" has the meaning set forth in Section 4.7(d) of this Agreement.

"Offered Period" has the meaning set forth in Section 2.3(b) of this Agreement.

"Offered Price" has the meaning set forth in Section 2.3(a) of this Agreement.

"Offered Shares" has the meaning set forth in Section 2.3(a) of this Agreement.

"Offerees" has the meaning set forth in the preamble of this Agreement.

"Options" means options to subscribe for, purchase or otherwise directly acquire Capital Stock of the Company.

"Orders" has the meaning set forth in Section 4.2 of this Agreement.

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"PFIC" means a "passive foreign investment company" within the meaning of Section 129 of the Code.

"Pre-emptive Acceptance Notice" has the meaning set forth in Section 6.3(b) of this Agreement.

"Pre-emptive Acceptance Period" has the meaning set forth in Section 6.3(b) of this Agreement.

"Pre-emptive Notice" has the meaning set forth in Section 6.3(a) of this Agreement.

"Pre-emptive Notice Time" has the meaning set forth in Section 6.3(a) of this Agreement.

"Pre-emptive Right" has the meaning set forth in Section 6.3(a) of this Agreement.

"Private Placement Memorandum" means the Confidential Private Placement Memorandum dated August 6, 2010, delivered by the Company to the Investors on the date hereof for the purpose of providing disclosure in connection with the proposed purchase by the Investors of Class A Ordinary Shares pursuant to the Share Purchase Agreement.

"Pro Rata" means, with respect to any offer of Additional Securities, the percentage of outstanding shares of Capital Stock held by an Investor.

"Purchased Shares" has the meaning set forth in the Share Purchase Agreement.

"Registration Rights Agreement" means the Registration Rights Agreement, dated the date hereof, between the Company, the Apax Shareholder and the GA Shareholder as amended from time to time.

"Requirements of Law" means, as to any Person, any law, statute, treaty, rule, regulation, right, privilege, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority or stock exchange, in each case applicable or binding upon such Person or any of its property.

"Restated M&A" means the amended and restated memorandum and articles of association of the Company that will take effect upon the closing of the IPO.

"Rule 144" has the meaning set forth in Section 2.2(i) of this Agreement.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

"Seller" has the meaning set forth in the recitals of this Agreement.

"Share Equivalents" means any security or obligation which is by its terms convertible into or exchangeable or exercisable for Class A Ordinary Shares, Class B

Ordinary Shares or other Capital Stock of the Company, and any option, warrant or other subscription or purchase right with respect to Class A Ordinary Shares, Class B Ordinary Shares or such other Capital Stock of the Company.

"Share Purchase Agreement" has the meaning set forth in the recitals of this Agreement.

"Subsidiaries" means, as of the relevant date of determination, with respect to any Person, a corporation or other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person. Unless otherwise qualified, or the context otherwise requires, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company. For the avoidance of doubt, the Subsidiaries of the Company shall include the 11 consolidated controlled entities referred to as the "PRC Domestic Entities" in the Private Placement Memorandum.

"Tag-Along Offer" has the meaning set forth in Section 2.4(a) of this Agreement.

"Tag-Along Ratio" has the meaning set forth in Section 2.4(c) of this Agreement.

"Tag Transaction" has the meaning set forth in Section 2.4(a) of this Agreement.

"Transactions" means the purchase by the Purchasers (as defined in the Share Purchase Agreement) from the Seller of the Purchased Shares pursuant to terms and conditions of the Share Purchase Agreement and the other transactions contemplated under this Agreement and the Registration Rights Agreement.

"Transfer Notice" has the meaning set forth in Section 2.3(a) of this Agreement.

"Transferee" has the meaning set forth in Section 2.3(a) of this Agreement.

"Transferring Holder" has the meaning set forth in Section 2.4(a) of this Agreement.

"Transferring Shareholder" has the meaning set forth in Section 2.3(a) of this Agreement.

ARTICLE II

TRANSFER RESTRICTIONS

2.1 Lock-Up. During the period that commences on the date hereof and continues until and include the date that is 180 days following consummation of the

IPO (the "Lock-Up Period"), the Investors and the Offerees will not, directly or indirectly, without the prior written consent of (i) in the case of the Offerees, the Investors and the Company and (ii) in the case of the Investors, the Company, offer, sell, contract to sell, pledge, purchase any option or contract to sell (including any short sale), grant any option, right or warrant to purchase (other than the call option granted by the Investors to the Offerees on the date hereof) or otherwise dispose of or announce any such disposition of, any Capital Stock or Share Equivalents of the Company which may be deemed to be beneficially owned by the Offerees or the Investors in accordance with the rules and regulations of the United States Securities and Exchange Commission, Capital Stock which may be issued upon exercise of a stock option or warrant and any other security convertible into or exchangeable for shares of Capital Stock or file or cause to be filed any registration statement under the U.S. Securities Act of 1933, as amended (each of the foregoing referred to as a "Disposition"); provided, however, that nothing in this Section 2.1 shall prevent or restrict the Investors and the Offerees from (a) Disposing of its shares of Capital Stock in connection with a sale of the Company (whether by merger, tender offer, plan of arrangement or other business combination transaction) or (b) transferring its shares of Capital Stock to any Immediate Family, Affiliate, stockholder, limited partner or member thereof (provided that any such transferee agrees to be bound by the terms of this Article II).

2.2 Transfer to Competitors. None of the Offerees or any Investor will, without the prior written consent of the Board of Directors of the Company, knowingly transfer, in a single transaction or a series of related transactions, shares of Capital Stock representing more than 5% of the total issued and outstanding share capital of the Company (on a fully diluted basis) to any of the Competitors (a) in a private placement or (b) in a public offering if such Investor has actual knowledge that the purchaser is a Competitor. Notwithstanding the foregoing, nothing in this Section 2.2 shall in any way restrict such Investor's ability to Dispose of any of its shares of Capital Stock (i) under Rule 144 under the Securities Act (or any similar provisions then in force) ("Rule 144"), (ii) through a broker, dealer or other market maker making a market in shares of Capital Stock, (iii) through the facilities of the New York Stock Exchange or any other securities exchange or quotation system on which shares of Capital Stock are quoted, listed or traded, (iv) to an Affiliate of such Investor or in a distribution to such Investor's ultimate investors or (v) in a sale of the Company.

2.3 Right of First Offer.

(a) If any Offeree or any Investor (such party, a "Transferring Shareholder") wishes to transfer in a single transaction or a series of related transactions Class B Ordinary Shares, Class A Ordinary Shares or American Depositary Shares representing Class A Ordinary Shares, as the case may be, in each case representing 10% or more of the total issued and outstanding share capital of the Company (on a fully diluted basis and treating the Offerees collectively) in a private placement, such Transferring Shareholder shall send written notice (the "Transfer Notice") to each other party hereto holding shares of Capital Stock of the Company (the "Non-Transferring Shareholders"), which notice shall state (i) (if known) the name of the proposed

transferee (the "Transferee"), (ii) the number of Class B Ordinary Shares, Class A Ordinary Shares or American Depositary Shares representing Class A Ordinary Shares, as the case may be, proposed to be transferred (the "Offered Shares"), (iii) the proposed price per share for the Offered Shares (the "Offered Price") and (iv) the expected date of consummation of the proposed transfer.

(b) For a period of ten (10) days after delivery of a Transfer Notice (the "Offered Period"), each Non-Transferring Shareholder shall have the right, exercisable by delivering a written notice of exercise (an "Acceptance Notice"), to purchase in aggregate all, but not less than all, of the Offered Shares at a cash purchase price per share not less than the Offered Price. The Offerees and the Investors, as the case may be, shall also have the right to designate their respective Affiliates to purchase part or all of the Offered Shares. An Acceptance Notice shall be irrevocable and shall constitute a binding agreement by the Non-Transferring Shareholder who have delivered such Acceptance Notice (the "Exercising Shareholders") to purchase the Offered Shares on the terms and conditions set forth in such Acceptance Notice. In the event more than one Non-Transferring Shareholder shall deliver an Acceptance Notice to the Transferring Shareholder within the Offered Period, the number of the Offered Shares subject to each such binding agreement shall be proportionate to the relative percentage ownership of each Exercising Shareholder or on such other basis as such Exercising Shareholders shall agree. In the definitive agreements to be entered into among the Transferring Shareholder and the Exercising Shareholder(s) (or any of its or their Affiliates) for the sale of the Offered Shares (if any), the Transferring Shareholder shall only represent and warrant to the Exercising Shareholder(s) (or any of its or their Affiliates) as to the title of the Offered Shares. The failure by any Non-Transferring Shareholder to give an Acceptance Notice within the Offer Period shall be deemed to be a waiver of its rights under this Section 2.3.

(c) Unless the Non-Transferring Shareholders (on behalf of themselves and their respective Affiliates) elect to purchase all of the Offered Shares under Section 2.3(b), the Transferring Shareholder may transfer all of the Offered Shares at a price per share not less than the Offered Price within 12 months after the giving of the Transfer Notice.

(d) The closing of any purchase of Offered Shares by the Exercising Shareholder(s) (or any of its or their Affiliates) shall be held at the principal office of the Company at 10 a.m. local time on the fifteenth day after the giving of the Transfer Notice. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Shares, accompanied by duly executed instruments of transfer. The Exercising Shareholder(s) (or any of its or their Affiliates) shall deliver at such closing payment in full of the cash purchase price for the Offered Shares. At such closing, all of the parties to the transaction and the Company shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Shares to the Exercising Shareholder(s) (or any of its or their Affiliates).

(e) Notwithstanding anything to the contrary set forth in this Section 2.3, this Section 2.3 shall not be applicable to any Dispositions of shares of

Capital Stock (i) under Rule 144 or pursuant to any public offering, (ii) through a broker, dealer or other market maker making a market in Capital Stock, (iii) through the facilities of the New York Stock Exchange or any other securities exchange or quotation system on which share of Capital Stock are quoted, listed or traded, (iv) to an Affiliate of the Transferring Shareholder or, in the case of the Investors, in a distribution to ultimate investors of any Investor or (v) in a sale of the Company.

2.4 Tag-Along Rights.

(a) If any Offeree or any Investor wishes to sell (such party, a "Transferring Holder") any Class B Ordinary Shares, Class A Ordinary Shares (the definition of "Class A Ordinary Shares" herein shall, for the avoidance of doubt, include shares of Capital Stock of the Company that would convert into Class A Ordinary Shares in connection with the Tag Transaction) or American Depositary Shares representing Class A Ordinary Shares, as the case may be, in one transaction or a series of related transactions that constitute a Tag Transaction (the "Tag-Along Offer"), the Transferring Holder will provide at least ten Business Days' written notice of such Tag-Along Offer to the Company and each other party hereto holding shares of Capital Stock of the Company (such other parties, the "Non-Transferring Holders") in the manner set forth in this Section 2.4. Such written notice will identify the purchaser, the number of shares of Capital Stock proposed to be purchased from the Transferring Holder (or if greater, the number of shares of Capital Stock such Person is willing to purchase), the Tag-Along Ratio (assuming full participation), the consideration offered and any other material terms and conditions of the Tag-Along Offer, including the form of the proposed sale agreement. If the offer price consists in part or in whole of consideration other than cash, the Transferring Holder will provide such information, to the extent reasonably available to the Transferring Holder, relating to such consideration as the Non-Transferring Holders may reasonably request in order to evaluate such non-cash consideration with the Transferring Holder using reasonable best efforts to obtain such information. A "Tag Transaction" shall mean any transaction or series of related transactions involving the sale, transfer or other disposition of capital stock representing, in aggregate (and treating the Offerees collectively), (A) greater than 10% of the aggregate number of Capital Stock outstanding (which number of shares outstanding shall be calculated assuming conversion of any shares of Capital Stock) or (B) greater than 10% of the ordinary voting power in the election of directors of all the outstanding voting securities of the Company, other than, in the case of each of the foregoing (A) and (B), (i) under Rule 144 or pursuant to any public offering, (ii) through a broker, dealer or other market maker making a market in shares of Capital Stock, (iii) through the facilities of the New York Stock Exchange or any other securities exchange or quotation system on which shares of Capital Stock are quoted, listed or traded, (iv) to an Affiliate of such Investor or in a distribution to such Investor's ultimate investors or (v) in a sale of the Company.

(b) Each Non-Transferring Holder will have the right, exercisable as set forth below, to accept the Tag-Along Offer for up to the number of shares of Capital Stock determined pursuant to Section 2.4(c). Each Non-Transferring Holder will, within fifteen (15) Business Days after receipt of the written notice from the Transferring Holder, provide the Transferring Holder with an irrevocable written notice

specifying the number of shares of Capital Stock such Non-Transferring Holder agrees to transfer, not to exceed the number as contemplated above, and will simultaneously provide a copy of such notice to the Company. If any Non-Transferring Holder does not deliver such written notice accepting the Tag-Along Offer within fifteen (15) Business Days following receipt of written notice from the Transferring Holder, such Non-Transferring Holder will be deemed to have waived any and all rights under this Section 2.4 with respect to the transfer of shares of Capital Stock pursuant to such Tag-Along Offer (but not with respect to any other or subsequent transfer).

(c) Each Non-Transferring Holder will have the right to sell (and the Transferring Holder will, to the extent necessary, reduce the amount or number of shares of Capital Stock to be sold by the Transferring Holder by a corresponding amount), pursuant to the Tag-Along Offer, up to a number of shares of Capital Stock equal to the product of the total number of shares of Capital Stock offered to be purchased as set forth in such Tag-Along Offer multiplied by a fraction (the "Tag-Along Ratio"), the numerator of which will be the aggregate amount or number of shares of Capital Stock owned by such Non-Transferring Holder and the denominator of which will be the aggregate number of shares of Capital Stock owned by the Transferring Holder and the Non-Transferring Holders who have exercised their right to sell under Section 2.4(b) pursuant to such Tag-Along Offer.

(d) The Transferring Holder will have ninety (90) days from their mailing of the Tag-Along Offer in which to consummate the sale of shares of Capital Stock owned by such Transferring Holder and the Non-Transferring Holders which have accepted the Tag-Along Offer (each, a "Co-Transferring Holder") as contemplated by such offer at the price and on the terms contained in such notice; provided, that if the sale of such shares of Capital Stock is subject to any prior regulatory approval, the time period during which such sale must be consummated shall be extended solely for such purposes until the expiration of five (5) Business Days after all such approvals shall have been received, but in no event shall such period be extended for more than 120 days from the date of mailing of the Tag-Along Offer. Such sale may only be consummated at a price of not more than the maximum per share price set forth in the written notice from the Transferring Shareholders delivered pursuant to Section 2.4(b) and otherwise on terms and conditions in the aggregate not more favorable in any material respect to the Transferring Holder and the Co-Transferring Holders than were set forth in such notice. If, at the end of the period referred to in the first sentence of this paragraph, the Transferring Holder have not completed such sale, the right of the Transferring Holder to effect such sale will terminate and any subsequently proposed transfer will again be subject to compliance with this Section 2.4.

ARTICLE III
CORPORATE GOVERNANCE

3.1 Appointment of General Atlantic Designee and Apax Designee. Subject to the applicable Requirements of Law, no later than the Closing Date, the Company shall cause two vacancies to be created on its Board of Directors and cause to be appointed to its Board of Directors, either at a meeting of the Board of Directors or by

written resolution in lieu of a meeting of the Board of Directors, effective immediately after the closing of the IPO, (a) one Person designated by the GA Shareholder, who shall initially be Jeff Leng (the "General Atlantic Designee"), and (b) one Person designated by the Apax Shareholder, who shall initially be Tom Hall (the "Apax Designee"). In the event that the General Atlantic Designee or the Apax Designee shall cease to serve as director for any reason, the Company shall use its reasonable best efforts to cause the vacancy resulting thereby to be filled by another designee of the appointing Investor.

3.2 Re-election of General Atlantic Nominee and Apax Nominee. Subject to the applicable Requirements of Law, at each meeting of the shareholders of the Company after the Closing Date at which directors of the class of which the General Atlantic Designee or the Apax Designee is a member are elected, (a) the GA Shareholder shall be entitled to designate to the Board of Directors the General Atlantic Designee or another Person (such Person, the "General Atlantic Nominee") designated by the GA Shareholder to serve as one of the directors of the Company, and (b) the Apax Shareholder shall be entitled to designate to the Board of Directors the Apax Designee or another Person (such Person, the "Apax Nominee") designated by Apax Shareholder to serve as one of the directors of the Company. The Company shall use its reasonable best efforts to cause the General Atlantic Nominee and the Apax Nominee to be included in the slate of nominees recommended by the Board of Directors to the Company's shareholders for election as directors, and the Company shall use its reasonable best efforts to cause the election of the General Atlantic Nominee and the Apax Nominee, including, without limitation, voting any proxies it holds, and using its reasonable best efforts to cause any officers of the Company who hold proxies to vote such proxies, except, in either case, as otherwise directed by the shareholder who submitted such proxy, in favor of the election of the General Atlantic Nominee and the Apax Nominee.

3.3 Reimbursement; Insurance.

(a) The Company shall provide such reimbursement and other benefits to the General Atlantic Designee and the Apax Designee as is consistent with the reimbursement and other related benefits provided to other members of the Board of Directors in their capacities as directors of the Company

(b) The Company shall indemnify, or provide for the indemnification of, the General Atlantic Designee and the Apax Designee and provide the General Atlantic Designee and the Apax Designee with commercially reasonable and adequate director and officer insurance from a reputable insurer to the same extent it indemnifies and provides insurance for the non-executive members of the Board of Directors.

3.4 Termination. This Article III shall terminate and be of no further force and effect with respect to an Investor at such time as such Investor, together with its Affiliates, own, in the aggregate, less than 10% of the Class A Ordinary Shares.

3.5 Committees. Each of the Audit Committee of the Board of Directors, the Compensation Committee of the Board of Directors and the Nomination

and Corporate Governance Committee of the Board of Directors (or any other committees performing similar functions of the foregoing committees), shall include at least one of the General Atlantic Designee or the Apax Designee (as agreed by the GA Shareholder and the Apax Shareholder). Such designee shall meet all requirements under applicable law and stock exchange rules for service on such committee(s). In the event such designee is unable to meet all requirements under applicable law and stock exchange rules for service on any committee, such designee shall be entitled to attend the meetings of such committee as a non-voting observer, with full rights to receive information and documents presented at such meetings.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investors on and as of the date hereof and the Closing Date as follows:

4.1 Corporate Existence and Power. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Cayman Islands, with power and authority (corporate and other) to own its properties and conduct its business as described in the Private Placement Memorandum, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction. The Company has no Subsidiaries except those entities set forth in the Private Placement Memorandum; each Subsidiary of the Company has been duly incorporated or formed and is validly existing as a corporation or limited liability company under the laws of its jurisdiction of incorporation or formation; and each Subsidiary of the Company is in good standing (to the extent such concept is recognized in its jurisdiction of incorporation or formation), except where the failure of any Subsidiary to be in good standing would not, individually or in the aggregate, have a Material Adverse Effect or interfere with the consummation of the Transactions.

4.2 Authorization; No Contravention. The execution, delivery and performance by the Company of this Agreement, the Registration Rights Agreement and the Transactions and the sale of the Purchased Shares by the Seller (a) have been duly authorized by all necessary corporate action of the Company, (b) do not contravene the terms of the M&A or the Restated M&A, (c) do not violate, conflict with or result in any breach or default of (or with due notice or lapse of time or both would result in any breach, default or contravention of), or the creation of any Lien under, any Contractual Obligation of the Company or any of its Subsidiaries or any Requirement of Law applicable to the Company or any of its Subsidiaries and (d) do not violate any judgment, injunction, writ, award, decree or order (collectively, "Orders") of any Governmental Authority against, or binding upon, the Company or any of its Subsidiaries.

4.3 Governmental Authorization; Third Party Consents. No consent, approval, authorization, order, registration or qualification ("Authorization") of or with any Governmental Authority or any other Person is required for the execution, delivery or performance by, or enforcement against, the Company of this Agreement, the Registration Rights Agreement or the consummation of the Transactions.

4.4 Binding Effect. This Agreement and the Registration Rights Agreement have been duly executed and delivered by the Company, and this Agreement and the Registration Rights Agreement constitute the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally.

4.5 Litigation. Other than as set forth in the Private Placement Memorandum, there are no actions, suits, proceedings, claims, complaints, disputes, arbitrations or investigations (collectively, "Claims") pending to which the Company or any of its Subsidiaries is a party or of which any property of the Company or any of its Subsidiaries is the subject which, if determined adversely to the Company or any of its Subsidiaries, would individually or in the aggregate have a Material Adverse Effect or interfere with the consummation of the Transactions; and, to the best of the best knowledge of the Company, no such Claims are threatened or contemplated by any Governmental Authority or other Person.

4.6 Intellectual Property.

(a) Other than as set forth in the Private Placement Memorandum, the Company and its Subsidiaries own, possess, license or have other rights to use, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, domain names, copyrights, licenses, inventions, trade secrets, technology, know-how and other intellectual property (collectively, the "Intellectual Property") necessary for the conduct of the business of the Company and its Subsidiaries, except for such lack of Intellectual Property which would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Other than as set forth in the Private Placement Memorandum, there are no pending or, to the knowledge of the Company, threatened Claims against the Company or any of its Subsidiaries, or to the knowledge of the Company, against any other Person, (i) challenging the rights of the Company or any of its Subsidiaries in or to any such Intellectual Property, (ii) challenging the validity or scope of any such Intellectual Property, or (iii) stating that the Company or any of its Subsidiaries infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others, except for such Claims which would not, individually or in the aggregate, have a Material Adverse Effect.

(c) Other than as set forth in the Private Placement Memorandum, there is no infringement by third parties of any such Intellectual Property,

except for such infringement which would not, individually or in the aggregate, have a Material Adverse Effect.

4.7 Compliance with Laws.

(a) Other than as set forth in the Private Placement Memorandum, the Company and its Subsidiaries are in compliance with all Requirements of Law, except where the failure to be compliant would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries nor any director, officer, agent or employee of the Company or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder ("FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA; the Company and its Subsidiaries have conducted their businesses in compliance with the FCPA (as applicable) and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(c) The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the rules and regulations thereunder (collectively, the "Money Laundering Laws") and no Claim by or before any court or Governmental Authority or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(d) Neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any director, officer, agent or employee of the Company or any of its Subsidiaries is currently targeted by any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company and its Subsidiaries will not directly or indirectly use its funds, or lend, contribute or otherwise make available such funds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any Person currently targeted by any U.S. sanctions administered by OFAC.

(e) Other than as set forth in the Private Placement Memorandum, the Company and its Subsidiaries have all licenses, permits and approvals of any Governmental Authority that are necessary for the conduct of the business of the Company and its Subsidiaries.

4.8 SAFE 75. To the best knowledge of the Company after due inquiry, no overseas investment foreign exchange registration or filing is required to be made by any legal or beneficial owner of any Share Equivalents (whether directly or indirectly) with any Governmental Authority according to the Notice on Issues Relating to the Administration of Foreign Exchange in Fundraising and Return Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies effective as of November 1, 2005 and any subsequent similar rules, amendments or supplements.

4.9 PFIC. None of the Company and its Subsidiaries is, or has ever been, a PFIC.

4.10 Capitalization.

(a) All of the issued share capital of the Company has been duly and validly authorized and issued, is fully paid and non-assessable, and all of the issued equity interests of each Subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all Liens.

(b) The Purchased Shares to be sold by the Seller to the GA Shareholder and the Apax Shareholder pursuant to the Share Purchase Agreement have been duly and validly authorized and issued and are fully paid and non-assessable.

(c) Immediately following the Closing, there will be no more than 75,078,099 shares of Class A Ordinary Shares and Class B Ordinary Shares (excluding any shares issued in an IPO primary) of the Company issued and outstanding and (other than any New Options) no more than 8,251,550 Options (each having rights with respect to no more than one Class A Ordinary Share) issued and outstanding (the "Existing Options") and (other than any New Options) no other Share Equivalents of the Company will be issued or outstanding and the Company and its Subsidiaries will not have agreed to issue or sell, or otherwise be obligated to issue or sell, any other shares of Capital Stock or Share Equivalents.

4.11 No Default or Breach; Contractual Obligations. Neither the Company nor any of its Subsidiaries is (a) in violation of the M&A, the Restated M&A or its other organizational documents or (b) in default in the performance or observance of any Contractual Obligation, except, in the case of this clause (b), a default which would not, individually or in the aggregate, have a Material Adverse Effect. To the knowledge of the Company, no other party to any such Contractual Obligations is in default thereunder, except for such default which would not, individually or in the aggregate, have a Material Adverse Effect.

4.12 Private Placement Memorandum; Financial Statements.

(a) The Private Placement Memorandum does not, and as of the Closing Date the Company's Registration Statement on Form F-1 (including the

prospectus included therein) declared effective by the Commission will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. This representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with any written information furnished to the Company by any underwriter or the selling shareholders.

(b) (i) The audited consolidated financial statements of the Company and its Subsidiaries (balance sheet and statements of operations, cash flow and shareholders' equity, together with the notes thereto) for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009, which contain the unqualified report of Ernst & Young Hua Ming (the "Audited Financial Statements") and (ii) the consolidated financial statements of the Company and its Subsidiaries (balance sheet and statements of operations, cash flow and shareholders' equity, together with the notes thereto) for the six months ended June 30, 2010 reviewed by Ernst & Young Hua Ming (together with the Audited Financial Statements, the "Financial Statements"), in each case set forth in the Private Placement Memorandum, are complete and correct in all material respects and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated and with each other. The Financial Statements fairly present in all material respects the financial condition, operating results and cash flows of the Company and its Subsidiaries as of the respective dates and for the respective periods indicated in accordance with GAAP.

(c) The Company (individually and on a consolidated basis) and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

4.13 No Material Adverse Change. Neither the Company nor any of its Subsidiaries has sustained since the date of the latest audited financial statements included in the Private Placement Memorandum any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the Private Placement Memorandum, except for such loss or interference as would not, individually or in the aggregate, have a Material Adverse Effect; and, since the respective dates as of which information is given in the Private Placement Memorandum, there has not been any change in the capital stock or long-term debt of the Company or any of its Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the

Company and its Subsidiaries taken as a whole, otherwise than as set forth in the Private Placement Memorandum.

4.14 Broker's, Finder's or Similar Fees. There are no brokerage commissions, finder's fees, placement fees, or similar fees or commissions payable in connection with the Transactions based on any agreement, arrangement or understanding with the Company or any of its Subsidiaries or any action taken by any such Person.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor hereby represents and warrants, severally and not jointly, to the Company on and as of the date hereof and the Closing Date as follows:

5.1 Existence and Power. Such Investor (a) is duly organized and validly existing under the laws of its jurisdiction of organization and (b) has the requisite power and authority to execute, deliver and perform its obligations under this Agreement.

5.2 Authorization; No Contravention. The execution, delivery and performance by such Investor of this Agreement, the Registration Rights Agreement and the transactions contemplated hereby (a) have been duly authorized by all necessary action of such Investor, (b) do not contravene the terms of such Investor's organizational documents, or any amendment thereto, (c) do not violate, conflict with or result in any breach or default of (or with due notice or lapse of time or both would result in any breach, default or contravention of), or the creation of any Lien under, any Contractual Obligation of such Investor or a Requirement of Law applicable to such Investor, and (d) do not violate any Orders of any Governmental Authority against, or binding upon, such Investor.

5.3 Governmental Authorization; Third Party Consents. No Authorization of or with any Governmental Authority or any other Person is required in connection with the execution, delivery or performance by, or enforcement against, such Investor of this Agreement, the Registration Rights Agreement or the transactions contemplated this Agreement.

5.4 Binding Effect. This Agreement and the Registration Rights Agreement have been duly executed and delivered by such Investor, and this Agreement and the Registration Rights Agreement constitute the legal, valid and binding obligations of such Investor, enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally.

ARTICLE VI

COVENANTS

6.1 PFIC Status. The Company shall use its best efforts not to become a PFIC, and to cause its Subsidiaries not to become a PFIC. In the event the Company or its Subsidiaries becomes a PFIC, the Company shall immediately notify each Investor in writing of such change in PFIC status. Notwithstanding the PFIC status of the Company or its Subsidiaries, the Company shall provide assistance and make available all information as each Investor requests in its sole judgment to comply with provisions of the Code covering PFICs, including, without limitation, provisions covering elections and retroactive elections under Section 1295 of the Code. The Company hereby acknowledges that its obligation pursuant to the immediately preceding sentence may include providing each Investor with a "PFIC Annual Information Statement" within the meaning of Treas. Reg. § 1.1295-1(g) with respect to the Company and its Subsidiaries.

6.2 Banking Relationship. So long as the GA Shareholder or any of its Affiliates is a shareholder of the Company, the Company shall not, and shall cause its Subsidiaries not to, open or maintain any accounts or otherwise enter into any customer relationship with First Republic Bank or any of its Subsidiaries.

6.3 Preemptive Rights.

(a) In the event that the Company proposes to issue any Additional Securities in a Covered Transaction, the Company will offer in writing (the "Pre-emptive Notice") to each Investor, at least 15 Business Days prior to the consummation of such transaction ("Pre-emptive Notice Time"), the right to purchase its Pro Rata share of such Additional Securities on the same terms as such Additional Securities are to be issued (each such right a "Pre-emptive Right").

(b) The Pre-emptive Notice shall specify (i) the number of Additional Securities to be issued or sold, (ii) the Company's good faith estimate of the total amount of capital to be raised by the Company pursuant to the issuance or sale of Additional Securities, (ii) the price and other material terms of the proposed issuance or sale, (iii) the number of such Additional Securities which such Investor is entitled to purchase (determined as provided in Section 6.3(a)), and (iv) the period during which such Investor may elect to purchase such Additional Securities, which period shall extend for at least 15 days following the receipt by such Investor of the Pre-emptive Notice (the "Pre-emptive Acceptance Period"). Each Investor who desires to purchase Additional Securities shall notify the Company within the Preemptive Acceptance Period of the number of Additional Securities such Investor wishes to purchase, which number shall not exceed its then-applicable Pro Rata share (the "Pre-emptive Acceptance Notice"). A Preemptive Acceptance Notice shall be binding and irrevocable, except as set forth in Section 6.3(d). The purchase price for the Additional Securities shall be paid in cash contemporaneously with the closing of the transaction which gave rise to the Pre-emptive Notice and the terms of such purchase shall otherwise be on terms and conditions not less favorable to the Company than those set forth in the Pre-emptive Notice.

(c) The rights contained in this Section 6.3 are personal to the Investors who have such rights as of the Closing and may not be transferred or assigned or delegated to another Person, except as otherwise provided herein and each Investor may assign any of its rights under this Agreement to any of its Affiliates.

(d) In the event the subject transaction of a Pre-Emptive Notice is terminated, no purchase of securities shall occur pursuant to this Section 6.3, and the applicable notices shall be cancelled.

6.4 No Issuance; Outstanding Shares.

(a) From the date hereof until the Closing, without the prior consent of the Investors, the Company shall not increase the total number of authorized or issued shares of Capital Stock of the Company or issue, grant or sell or agree to issue, grant or sell any Share Equivalents, other than (i) the issuance of ordinary shares of the Company upon the exercise of Company employee options outstanding on the date of this Agreement, (ii) any New Options and (iii) a primary issuance where the aggregate proceeds do not exceed US$10,000,000.

(b) If Section 4.10(c) is not true and correct in all respects immediately following the Closing, then the Company shall immediately issue additional shares of Class A Ordinary Shares to each of the Investors for no payment or any other consideration such that each of the Investors would maintain its ownership percentage in the Company as if there had been, immediately following the Closing, (x) only 75,078,099 shares of Class A Ordinary Shares and Class B Ordinary Shares (excluding any shares issued in an IPO primary) of the Company issued and outstanding, (y) except for any New Options, only 8,251,550 Options issued and outstanding, and (z) no shares of Capital Stock or other Share Equivalents other than the 75,078,099 shares of Class A Ordinary Shares and Class B Ordinary Shares (excluding any shares issued in an IPO primary), 8,251,550 Options and the New Options issued or outstanding, and no agreements or obligations to issue or sell any such shares of Capital Stock or Share Equivalents.

6.5 Contemplated IPO. From the date hereof until the Closing, the Company will keep the Investors reasonably apprised of all developments with respect to the Company's proposed IPO, including with respect to communications, satisfaction and waiver of conditions, anticipated timing of closing and all other matters pertinent to such IPO. The Company agrees that, if it files a Registration Statement on Form F-1 with the Commission (including a preliminary prospectus), or files any amendment or supplement thereto or any free writing prospectus (each an "SEC Filing" and collectively "SEC Filings"), it will notify the Investors as soon as it decides to file any SEC Filing and provide such SEC Filing to the Investors at the same time such SEC Filing is filed with the Commission.

6.6 Acquisition Proposal.

(a) The Company agrees that it will, pursuant to a customary confidentiality agreement, promptly (and, in any event, within forty-eight (48) hours) notify the Investors in writing if any formal proposals or offers with respect to an Acquisition Proposal are received by it or any of its directors, officers, employees, investment bankers, attorneys, accountants and other advisors or representatives (collectively, "Representatives") and the Company intends to initiate or continue any discussions or negotiations with respect to such Acquisition Proposal, including, in connection with such notice, the identity of the Person making the offer or the proposal or seeking such information or discussions or negotiations, a written summary of the material terms and conditions of any proposals or offers that are not made in writing and copies of any requests, proposals or offers, including proposed agreements, of proposals or offers that are made in writing. The Company shall keep the Investors reasonably informed, on a prompt basis (and, in any event, within 48 hours), of the status and terms of any proposals or offers (including any amendments thereto) and the status of any discussions or negotiations. The Company agrees that it and its Subsidiaries will not enter into any confidentiality agreement with any Person subsequent to the date hereof which prohibits the Company from providing such information to the Investors.

(b) The Company shall not enter into any agreement with a third party providing for any Acquisition Proposal and shall not authorize, adopt, approve, recommend or declare advisable any Acquisition Proposal or agreement with respect thereto (i) without providing the Investors with the right and opportunity to make an alternative proposal to the Acquisition Proposal (an "Investor Proposal") in a period of at least fifteen (15) Business Days (the "Response Period") from the date on which the Investors received the written notice from the Company in accordance with Section 6.6(a) above and (ii) if an Investor Proposal is a Matching Proposal. Each successive amendment to any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 6.6 and the Investors shall be afforded a new Response Period in respect of each such Acquisition Proposal.

6.7 Offerees Voting. Until the termination of this Agreement in accordance with Section 8.1, each of the Offerees agrees as follows:

(a) At any meeting of shareholders of the Company or at any adjournment thereof or in any other circumstances upon which the Offerees' vote, consent or other approval is sought, with respect to an Acquisition Proposal involving an Affiliate or Immediate Family of Offerees or Mr. Vincent Tianquan Mo, the Offerees shall not exercise their right to vote (or cause to not be voted) the Offerees' Capital Stock. For the avoidance of doubt, this clause (a) shall not prevent any Offeree from any Disposition of Class B Ordinary Shares owned by such Offeree to its Affiliate if such Disposition is otherwise permitted under this Agreement.

(b) Each of the Offerees shall vote (or cause to be voted) such Offeree's Capital Stock against any amendment of the M&A or other proposal or transaction involving the Company or any of its Subsidiaries, which amendment or other proposal or transaction would in any manner change in any manner the voting rights of any class of the Capital Stock, or nullify, modify, impede, frustrate or prevent this

Section 6.7 or any rights of the Investors hereto. Each of the Offerees further agrees not to commit or agree to take any action inconsistent with the foregoing or any other provision of this Agreement.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification.

(a) Subject to the limitations set forth in Section 7.4, the Company agrees to indemnify, defend and hold harmless (i) the GA Shareholder and its Affiliates and their respective officers, managers, directors, agents, employees, subsidiaries, partners, members and controlling Persons (each, a "GA Indemnified Party"), and (ii) the Apax Shareholder and its Affiliates and their respective officers, managers, directors, agents, employees, subsidiaries, partners, members and controlling Persons (each, an "Apax Indemnified Party" and, together with the GA Indemnified Parties, the "Indemnified Parties") to the fullest extent permitted by law from and against any and all losses, claims, or written threats thereof (including, without limitation, any claim by a third party), damages, expenses (including reasonable fees, disbursements and other charges of counsel incurred by the Indemnified Party in any action between the Company and the Indemnified Party or between the Indemnified Party and any third party or otherwise in the manner described in Section 7.2 below) or other liabilities (collectively, "Losses") resulting from or arising out of any breach of (A) any representations and warranties of the Company contained herein or (B) any covenant or agreement by the Company in this Agreement or any certificate delivered by the Company hereunder or under the Share Purchase Agreement.

(b) In connection with the obligation of the Company to indemnify for expenses as set forth in clause (a) of this Section 7.1, the Company shall upon presentation of appropriate invoices containing reasonable detail, reimburse each Indemnified Party for all such expenses (including reasonable fees, disbursements and other charges of counsel incurred by the Indemnified Party in any action between the Company and the Indemnified Party or between the Indemnified Party and any third party) as they are incurred by such Indemnified Party; provided, however, that if such expenses arise out of any action, investigation or other proceeding commenced by an Indemnified Party (other than as a result of any action, claim or written threat by a third party against such Indemnified Party), the Company shall reimburse such Indemnified Party for all such expenses only (x) after the final resolution or disposition of such action, investigation or other proceeding and (y) if such Indemnified Party prevails in such action, investigation or other proceeding; and provided, further, that if an Indemnified Party is reimbursed under this Article VII for any expenses, such reimbursement of expenses shall be refunded to the extent it is finally judicially determined that such expenses resulted or arose primarily from the gross negligence, bad faith, or willful misconduct of such Indemnified Party.

7.2 Notification. Each Indemnified Party under this Article VII shall, promptly after the receipt of notice of the commencement of any claim against such Indemnified Party in respect of which indemnity may be sought from the Company under this Article VII, notify the Company in writing of the commencement thereof. The omission of any Indemnified Party to so notify the Company of any such action shall not relieve the Company from any liability which it may have to such Indemnified Party under this Article VII unless, and only to the extent that, such omission results in the Company's forfeiture of substantive rights or defenses, or otherwise materially prejudices the Company's defense of such claim. In case any such claim shall be brought against any Indemnified Party, and it shall notify the Company of the commencement thereof, the Company shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to such Indemnified Party in its reasonable judgment; provided that any Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any claim in which both the Company, on the one hand, and an Indemnified Party, on the other hand, are, or are reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel and to control its own defense of such claim if, in the reasonable opinion of counsel to such Indemnified Party, either (x) one or more defenses are available to the Indemnified Party that are not available to the Company or (y) a conflict or potential conflict exists between the Company, on the one hand, and such Indemnified Party, on the other hand, that would make such separate representation advisable; provided, however, that (i) the Company shall not be liable for the fees and expenses of more than one counsel in each relevant jurisdiction to all Indemnified Parties, (ii) in any action between the Company and the Indemnified Parties, the Company shall reimburse the Indemnified Parties for such fees and expenses only (x) after the final resolution or disposition of such action and (y) if the Indemnified Party prevails in such action and (iii) in any action between the Indemnified Parties and any third party, the Company shall reimburse the Indemnified Parties for such fees and expenses as such fees and expenses are incurred. The Company agrees that it will not, (a) without the prior written consent of the GA Shareholder, settle, compromise or consent to the entry of any judgment in any pending or threatened claim relating to the matters contemplated hereby (if any GA Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of each GA Indemnified Party from all liability arising or that may arise out of such claim, or (b) without the prior written consent of the Apax Shareholder, settle, compromise or consent to the entry of any judgment in any pending or threatened claim relating to the matters contemplated hereby (if any Apax Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of each Apax Indemnified Party from all liability arising or that may arise out of such claim. The Company shall not be liable for any settlement of any claim effected against an Indemnified Party without its written consent, which consent shall not be unreasonably withheld.

7.3 Contribution. If the indemnification provided for in this Article VII from the Company is unavailable to an Indemnified Party hereunder in respect of any Losses for which the Company would otherwise be required to indemnify the

Indemnified Party under this Article VII, then the Company, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the Company and such Indemnified Party in connection with the actions which resulted in such Losses, as well as any other relevant equitable considerations. The relative faults of the Company and such Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, the Company or such Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Losses referred to above shall be deemed to include any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding.

7.4 Limits on Indemnification.

(a) Absent fraud or willful or intentional misconduct, the indemnification and contribution provided by the Company pursuant to clause (A) of Section 7.1(a) and Section 7.3 shall be the sole and exclusive remedy for any Losses resulting from or arising out of any indemnification or contribution claim made pursuant to clause (A) of Section 7.1(a) and Section 7.3.

(b) Absent fraud or willful or intentional misconduct, the amount of any payment by the Company (i) to the GA Indemnified Parties under this Article VII in respect of Losses resulting from or arising out of any indemnification or contribution claim made pursuant to Section 7.1(a) or Section 7.3 with respect thereto shall in no event exceed US$20,000,000, and (ii) to the Apax Indemnified Parties under this Article VII in respect of Losses resulting from or arising out of any indemnification or contribution claim made pursuant to Section 7.1(a) or Section 7.3 with respect thereto shall in no event exceed US$20,000,000; provided, however, in the event of fraud or willful or intentional misconduct, such amount of payment shall in no event exceed (1) with respect to the GA Indemnified Parties, the aggregate purchase price paid by the GA Shareholder to the Seller in consideration of the Purchased Shares acquired by the GA Shareholder, and (2) with respect to the Apax Indemnified Parties, the aggregate purchase price paid by the Apax Shareholder to the Seller in consideration of the Purchased Shares acquired by the Apax Shareholder.

(c) The Company shall not be liable to pay the Indemnified Parties under this Article VII in respect of Losses resulting from or arising out of any indemnification or contribution claim made pursuant to Section 7.1(a) or Section 7.3 with respect thereto unless and until the amount payable under each individual claim made against the Company exceeds US$500,000 (the "Indemnity Threshold"). If and when the Indemnity Threshold is reached, the Company shall then only be liable for the excess over the Indemnity Threshold.

ARTICLE VIII

TERMINATION OF AGREEMENT

8.1 Termination. This Agreement may be terminated as follows:

(a) with respect to the rights and obligations of the GA Shareholder, by mutual written consent of the Company and the GA Shareholder;

(b) with respect to the rights and obligations of the Apax Shareholder, by mutual written consent of the Company and the Apax Shareholder; or

(c) automatically upon the termination of the Share Purchase Agreement prior to the Closing Date for any reason.

If this Agreement so terminates, it shall become null and void and have no further force or effect, except as provided in Section 8.2.

8.2 Survival. If this Agreement is terminated and the Transactions are not consummated as described above, (a) this Agreement shall become void and of no further force and effect; except for the provisions of this Section 8.2, (b) none of the parties hereto shall have any liability in respect of a termination of this Agreement pursuant to Section 8.1(a) or Section 8.1(b), and (c) none of the parties hereto shall have any liability for speculative, indirect, unforeseeable or consequential damages or lost profits resulting from any legal action relating to any termination of this Agreement.

ARTICLE IX

MISCELLANEOUS

9.1 Survival of Representations and Warranties. The representations and warranties of the Company shall survive the execution and delivery of this Agreement until the date that is thirty (30) days after the public disclosure with the Commission of the audited consolidated financial statements of the Company and its Subsidiaries for the fiscal year ending December 31, 2010 (or, if such fiscal year changes and no such audited consolidated financial statements are available, then the successor fiscal year), except for the representations and warranties in Section 4.10, which shall survive until the first anniversary of the Closing Date.

9.2 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, courier service or personal delivery:

if to the Company:

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
No.1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China
Facsimile: (8610) 5930 6137
Attention: Jill Jiao, Chief Counsel and Investor Relations Officer

if to Media Partner or Next Decade:

c/o SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
No.1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China
Facsimile: (8610) 5930 6137
Attention: Vincent Tianquan Mo

if to Digital Link:

c/o Shan Li
Suite 6401, Two IFC
8 Finance Street, Central
Hong Kong
Facsimile: (+852) 3527-7001

if to the GA Shareholder:

General Atlantic Mauritius Limited
6th Floor, Tower A
1 CyberCity
Ebene, Mauritius
Facsimile: (230) 403-6060
Attention: The Directors

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, The Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Facsimile: (852) 2840-4300
Attention: Jeanette K. Chan, Esq.

if to the Apax Shareholder:

Hunt 7-A Guernsey L.P. Inc
Hunt 7-B Guernsey L.P. Inc
Hunt 6-A Guernsey L.P. Inc
Third Floor, Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey GY1 2HJ
Facsimile: +44 (0) 1481 810 099
Attention: Denise Fallaize

with a copy to:

Simpson Thacher & Bartlett LLP
3119 China World Office I
1 Jianguomenwai Avenue
Beijing 100004, China
Facsimile: (+8610) 5965 2988
Attention: Douglas C. Markel, Esq.

All such notices, demands and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered; (ii) one Business Day after being sent, if sent via a reputable nationwide overnight courier service guaranteeing next business day delivery; (iii) five (5) Business Days after being sent, if sent by registered or certified mail, return receipt requested, postage prepaid; and (iv) when receipt is mechanically acknowledged, if sent by facsimile. Any party may by notice given in accordance with this Section 9.2 designate another address or Person for receipt of notices hereunder. Any party may give any notice, request, consent or other communication under this Agreement using any other means (including, without limitation, personal delivery, messenger service, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party to whom it is given.

9.3 Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Each of the Investors and the Offerees may assign any of its rights under this Agreement to any of their respective Affiliates without the prior written consent of the other parties, and any such transferee shall, concurrently with the effectiveness of such transfer, become a party to this Agreement as an Offeree or an Investor, as the case may be, and be subject to all applicable restrictions and benefit from all applicable rights set forth in this Agreement. In the event that any Offeree transfers any Capital Stock of the Company to Mr. Vincent Tianquan Mo or an Affiliate or Immediate Family of Mr. Vincent Tianquan Mo, any such transferee shall, concurrently with the effectiveness of such transfer, become a party to this Agreement as an Offeree, and be subject to all applicable restrictions and benefit from all applicable rights set forth in this Agreement. The Company may only assign any of its rights under this Agreement

with the prior written consent of the Investors. Except as provided in Article IV, Article VII, Article VIII and Section 9.4(b), no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement. Other than set forth in this Section 9.3, this Agreement and the rights and obligations of any party hereunder shall not be assigned without the prior written consent of the other parties.

9.4 Amendment and Waiver.

(a) No failure or delay on the part of the Company, any Offeree or any Investor in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

(b) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by, the Company, any Offeree or any Investor from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by the Company, the Offerees and the Investors, and (ii) only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

9.5 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.6 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

9.7 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. The parties hereto irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in the County of New York, in the State of New York over any suit, action or proceeding arising out of or relating to this Agreement or the affairs of the Company. To the fullest extent they may effectively do so under applicable law, the parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9.8 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.8.

9.9 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

9.10 Rules of Construction. Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement.

9.11 Entire Agreement. This Agreement, together with the exhibits and schedules hereto are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings, other than those set forth or referred to herein. This Agreement, together with the exhibits and schedules hereto supersedes all prior agreements and understandings between the parties with respect to such subject matter.

9.12 Public Announcements. Following the date hereof, the Company shall be permitted to issue a press release in compliance with Rule 135 under the Securities Act and file the Private Placement Memorandum with disclosure relating to this Agreement and the transactions contemplated hereby and to file this Agreement with the Private Placement Memorandum or a subsequent amendment. Each Investor shall have the opportunity to review and comment on the press release prior to its issuance and to review and comment on any portion of the Private Placement Memorandum or any amendment thereto that describes the transactions hereunder or such Investor, which review and comment shall be provided as expeditiously as possible and in any event within 24 hours of delivery. Any such press release shall be in form and substance reasonably satisfactory to the Investors. Except as set forth in the previous sentence, none of the Company, the Offerees and the Investors will issue any press release or make

any public statements with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other party hereto, except to the extent such party reasonably believes such press release or public statement is required by applicable law or stock market regulations; provided, however that the Company and the Investors may make reasonable public statements consistent with prior public statements otherwise permitted under this Section 9.12; and provided, further, that following the Closing, (i) General Atlantic LLC may disclose on its worldwide web page, www.generalatlantic.com, the name of the Company, the name of the Chief Executive Officer of the Company, a brief description of the business of the Company and the Company's logo, and (ii) the Apax Purchaser (or an Affiliate thereof) may disclose on the worldwide web page, www.apax.com, the name of the Company, the name of the Chief Executive Officer of the Company, a brief description of the business of the Company and the Company's logo. Notwithstanding the foregoing, the Company and the Offerees will not use or refer to the name of any Investor in any public statement or disclosure without the consent of such Investor except to the extent that such party reasonably believes such statement or disclosure is required by applicable law or stock market regulations.

9.13 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

9.14 Representations, Warranties and Covenants.

(a) The GA Shareholder makes no representation or warranty concerning the Apax Shareholder under this Agreement and the GA Shareholder and its Affiliates shall not be liable for any breach of this Agreement by the Apax Shareholder.

(b) The Apax Shareholder makes no representation or warranty concerning the GA Shareholder under this Agreement and the Apax Shareholder and its Affiliates shall not be liable for any breach of this Agreement by the GA Shareholder.

9.15 Specific Performance. Notwithstanding anything to the contrary contained herein, the parties hereto agree and acknowledge that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that, in addition to any other rights and remedies existing in its favor, any party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

9.16 New Shareholders' Agreement and New Articles.

(a) Following the occurrence of the IPO Termination Date pursuant to Section 2.5 of the Share Purchase Agreement, the Company and the Offerees

shall, and shall cause the other parties thereto to, terminate the existing shareholders' agreement of the Company (the "Existing Shareholders' Agreement") dated as of August 31, 2006, on or prior to the Closing Date of the Alternative Transaction (the "Alternative Transaction Closing Date"). In addition, the Company and the Offerees shall, and shall cause the other shareholders of the Company (other than the Seller) to enter into a new shareholders' agreement (the "New Shareholders' Agreement") with the Investors based on the terms outlined in Exhibit A attached hereto on or prior to the Alternative Transaction Closing Date whereupon this Investor's Rights Agreement will terminate. All the parties hereto agree to, and the Company agrees to cause all of its shareholders (other than the Seller) to, work in good faith towards full documentation of the New Shareholders' Agreement as promptly as reasonably practicable after the IPO Termination Date (but in any event such full documentation shall be completed within fifteen (15) Business Days from the IPO Termination Date). The New Shareholders Agreement will include provisions that are substantially consistent with and at least as favorable to the Investors as those identified in Exhibit A, the Existing Shareholders Agreement, this Agreement and the Registration Rights Agreement. With respect to the provisions of the New Shareholders' Agreement, each of the Investors shall benefit from the rights and protections specifically identified in Exhibit A or as were previously held by the Seller on a separate and individual basis. If there is disagreement over the wording of a particular aspect of the New Shareholders' Agreement, the parties agree that the term sheet set forth in Exhibit A and the wording in the Existing Shareholders' Agreement will be the basis of the binding New Shareholders' Agreement.

(b) Following the occurrence of the IPO Termination Date pursuant to Section 2.5 of the Share Purchase Agreement, the Company and the Offerees shall, and shall cause the other shareholders of the Company to, (i) amend and restate the existing memorandum and articles of association of the Company to (x) remove all references to the Existing Shareholders' Agreement and replace them with references to the New Shareholders' Agreement and (y) adopt the dual class voting structure and other terms agreed by the parties as set forth in the New Shareholders' Agreement, and (ii) adopt the amended and restated memorandum and articles of association of the Company referred to in (i) above on or before the Alternative Transaction Closing Date.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Investor's Rights Agreement on the date first written above.

SOUFUN HOLDINGS LIMITED

By: /s/ Vincent Tianquan Mo
Name: Vincent Tianquan Mo
Title: Executive Director

GENERAL ATLANTIC MAURITIUS LIMITED

By: /s/ Amit Gupta
Name: Amit Gupta
Title: Director

SIGNED BY HUNT 7-A GP LIMITED
as general partner of
HUNT 7-A GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

SIGNED BY HUNT 7-A GP LIMITED
as general partner of
HUNT 7-B GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

SIGNED BY HUNT 6-A GP LIMITED
as general partner of
HUNT 6-A GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

NEXT DECADE INVESTMENTS LIMITED

By: /s/ Jing Cao
Name: Jing Cao
Title: Director

MEDIA PARTNER TECHNOLOGY LIMITED

By: /s/ Jing Cao
Name: Jing Cao
Title: Director

DIGITAL LINK INVESTMENTS LIMITED

By: /s/ Shan Li
Name: Shan Li
Title: Director

Schedule 1

List of Current Competitors

1. E-house (China) Holdings Limited and its Affiliates.
2. China Real Estate Information Corporation and its Affiliates.
3. Sina Corporation and its Affiliates.

Exhibit A

Terms of New Shareholders' Agreement

Voting Rights:	B Shares owned by Vincent Mo (the "Founder") will have 10 votes per share and A Shares owned by the Investors will have 1 vote per share.
Major Actions:	The prior written consent of each of the Investors shall be required for the following:

(a) the redemption of share capital or securities convertible into or exercisable for share capital of the Company or its subsidiaries;

(b) the adoption of any stock option plan or similar equity compensation scheme for employees or directors of the Company or its subsidiaries and the allocation of options thereunder, or any amendment of the existing employee stock option plan of the Company;

(c) any amendment to or restatement of the Memorandum and Articles of Association or by-laws of the Company or any of its material subsidiaries (including, without limitation, Bravo Work Investments Limited, Max Impact Investments Limited, SouFun Media Technology (Beijing) Co., Ltd., Beijing SouFun Network Technology Co., Ltd., Beijing SouFun Science and Technology Development Co., Ltd., Shanghai SouFun Advertising Co., Ltd. and Beijing Century Jia Tian Xia Technology Development Co., Ltd.); provided that with respect to any material subsidiaries that are within the PRC, the Investors' prior written consent is required for any amendment to or restatement of the Articles of Association of such subsidiaries;

(d) an IPO, unless the Company equity valuation is at least US$1 billion and the Company's ordinary shares are listed on The Nasdaq Stock Market, The New York Stock Exchange or other internationally recognized stock exchange;

(e) any sale of a majority of the voting power or a majority of the economic interests in the Company, or a sale of all or substantially all of the assets of the Company, in each case at a valuation lower than the fair market value;

(f) the declaration or payment of any dividend or other distribution by the Company or any of its subsidiaries;

(g) the assumption, incurrence or guarantee of any indebtedness by the Company or any of its subsidiaries in excess of US$10 million in aggregate during the trailing 12 months;

(h) any acquisition by the Company or any of its subsidiaries in which the aggregate consideration is in excess of US$10 million, either individually or in the aggregate when added to all other acquisitions during the trailing 12 months;

(i) any transaction between the Company or any of its subsidiaries, on the one hand, and any officer, director or shareholder (or affiliate or family member) of the Company or any of its subsidiaries, on the other hand;

(j) compensation of or payments to the Chairman of the Board of Directors;

(k) approval of the Company's annual operating budget;

(l) the appointment of a new CEO or CFO of the company;

(m) a material change in the nature, scope or geography of the business;

(n) any change the material accounting methods or policies of the Company, any change in the Company's auditor; or

(o) any change the size of the Board of Directors.

Board of Directors:

Five members, comprised of the following:

(i) one member designated by the GA Shareholder

(ii) one member designated by the Apax Shareholder

(iii) three members designated by Vincent Mo

Vincent Mo will be the Chairman of the Board. There will be an Audit, Compensation and Nominations Committee. The GA director will have the right to serve on the Compensation and Nominations Committee and the Apax director shall have the right to serve on the Audit Committee, provided that the GA Shareholder and the Apax Shareholder may agree to reallocate committee assignments. Each of the GA Shareholder and the Apax Shareholder shall have the right to designate one observer.

Shareholder Matters:

(a) Transfer Restrictions. Until the second anniversary of the closing, no shareholder may transfer its shares (other than transfers to family members and affiliated funds).

(b) Right of First Offer. Prior to the Company's initial public offering, share transfers will be subject to a right of first offer as follows: first, the Company, and second, the non-selling shareholders on a pro rata basis.

(c) Preemptive Rights. Prior to the Company's initial public offering, new issues of share capital or securities convertible into or exercisable for share capital will be subject to a preemptive right of the Investors to purchase their pro rata share of the offering and up to the amount of other shareholders' applicable share of the offering not subscribed for by such other shareholders.

(d) Initial Public Offering. If the Company has not completed a firm commitment initial public offering on or prior to the second anniversary of closing, then at any time thereafter each of the Founder, the GA Shareholder and the Apax Shareholder may require the Company to complete its initial public offering on the New York Stock Exchange, Nasdaq, the Hong Kong Stock Exchange or another reputable international stock exchange. The Registrations Rights Agreement and the Investor Rights Agreement Articles II, III, VI, VII, and IX shall become effective upon completion of an IPO.

(e) Co-Sale Rights. Prior to the Company's initial public offering, the GA Shareholder and the Apax Shareholder will have the right to participate pro rata in any sales of stock to third parties by Vincent Mo and his affiliates. If Vincent Mo and his affiliates wish to transfer 25% or more of their shares to a third party, then the GA Shareholder and the Apax Shareholder will have the right to sell their entire stake to such third party.

(f) Other. (i) The company will provide annual, quarterly and monthly financial statements. (ii) The following provisions from the existing shareholders agreement will be included in the new shareholders agreement with appropriate modifications: Section 4 (Business Plan and Financial Information), Section 10 (Rights in relation to License Companies) (the parties agree that, for purpose of this Section 10, the License Companies Interest shall only be transferred to the Company or its nominee and not to any Investor or Investor's nominee), Section 11 (Employee Compensation Plan), Section 12 (Enforcement of Rights), Section 14 (Competition with the Business), Section 15 (information, Insurance, Records, Licenses) and Section 26 (Founder Undertakings). (iii) The Company will provide warranties and indemnification identical to Articles IV and VII of the Investor Rights Agreement. (iv) The company will provide covenants equal to Article VI of the Investor Rights Agreement.

(g) Call Options. Notwithstanding anything else to the contrary, the transfer of Class A Ordinary Shares from the Investors to Next Decade Investments Limited upon its exercise of the call options shall not be subject to the transfer restrictions set forth in sections (a) and (b) above.

Governing Law; Dispute Resolution: New York state law; state or federal court sitting in the County of New York, in the State of New York.

Exhibit 4.8

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

among

SOUFUN HOLDINGS LIMITED

and

THE OTHER PARTIES NAMED HEREIN

Dated: August 13, 2010

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated August 13, 2010 and effective as of the Effective Date (this "Agreement"), among SouFun Holdings Limited, a company organized and existing under the laws of the Cayman Islands (the "Company"), General Atlantic Mauritius Limited, a Mauritius private company limited by shares ("General Atlantic") and Hunt 7-A Guernsey L.P. Inc. ("Hunt 7-A"), Hunt 7-B Guernsey L.P. Inc. ("Hunt 7-B"), and Hunt 6-A Guernsey L.P. Inc. ("Hunt 6-A" and, together with Hunt 7-A and Hunt 7-B, "Apax").

WHEREAS, pursuant to the Share Purchase Agreement, dated the date hereof (the "Purchase Agreement"), by and among Telstra International Holdings Limited, a company organized and existing under the laws of Bermuda ("Telstra"), General Atlantic, Apax, Next Decade Investments Ltd., a limited liability company incorporated in the British Virgin Islands (the "Management Holder"), and Digital Link Investments Limited, a limited liability company incorporated in the British Virgin Islands (the "Digital Link Holder"), Telstra has agreed to sell certain shares of the Company to General Atlantic, Apax, Management Holder and Digital Link Holder; and;

WHEREAS, in order to induce each of General Atlantic and Apax to purchase the Class A Ordinary Shares pursuant to the Purchase Agreement from Telstra, the Company has agreed to grant each of General Atlantic and Apax the registration rights set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"ADSs" means American Depositary Shares, each of which will represent Class A Ordinary Shares.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, the Person specified.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Apax" has the meaning set forth in the preamble to this Agreement.

"Apax Representative" means the Apax Shareholder appointed and notified to the Company from time to time by the Apax Shareholders holding a majority of the Registrable Securities held by all Apax Shareholders to act on behalf of the Apax Shareholders under this Agreement. The initial Apax Representative shall be Hunt 7-B.

"Apax Shareholders" means Hunt 7-A, Hunt 7-B, and Hunt 6-A, any Subsequent Purchaser that is an Affiliate of Apax, and any Affiliate thereof to whom Registrable Securities are transferred, subject to Section 11(f) of this Agreement other than a transferee to whom Registrable Securities have been transferred pursuant to a Registration Statement under the Securities Act or Rule 144 or Regulation S under the Securities Act (or any successor rule thereto).

"Approved Underwriter" has the meaning set forth in Section 3(e) of this Agreement.

"Articles" means the Amended and Restated Memorandum and Articles of Association of the Company as in effect on the IPO Effectiveness Date, as the same may be amended from time to time.

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York, Hong Kong or the People's Republic of China are authorized or required by law or executive order to close.

"Class A Ordinary Share Equivalent" means any security or obligation that is by its terms, directly or indirectly, convertible, exchangeable or exercisable into or for Class A Ordinary Shares, including, without limitation, any option, warrant or other subscription or purchase right with respect to Class A Ordinary Shares or any Class A Ordinary Share Equivalent.

"Class A Ordinary Shares" means the Class A Ordinary Shares, par value HK$1.00 per share, of the Company or any other share capital of the Company into which such stock is reclassified or reconstituted and any other ordinary shares of the Company.

"Closing Price" means, with respect to the Registrable Securities, as of the date of determination: (a) if the Registrable Securities are listed on a national securities exchange in the United States, the closing price per share of a Registrable Security on such date published on Bloomberg or, if no such closing price on such date is published on Bloomberg, the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange in the United States on which the Registrable Securities are then listed or admitted to trading; or (b) if the Registrable Securities are not listed or admitted to trading on any national securities exchange, the last sale price or, if such last sale price is not reported, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market LLC or such other system then in use; or (c) if on any such date the Registrable Securities are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Registrable

Securities selected by the Company; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined in good faith by the Board of Directors or, if such determination is not satisfactory to the Designated Holder for whom such determination is being made, by a nationally-recognized investment banking firm selected by the Company and such Designated Holder, the expenses for which shall be borne equally by the Company and such Designated Holder. If trading is conducted on a continuous basis on any exchange, then the closing price shall be at 4:00 p.m. New York City time.

"Commission" means the United States Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Company" has the meaning set forth in the preamble to this Agreement.

"Company Underwriter" has the meaning set forth in Section 4(a) of this Agreement.

"Control" (including the terms "Controlling," "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Demand Registration" has the meaning set forth in Section 3(a) of this Agreement.

"Designated Holder" means each of the General Atlantic Shareholders and the Apax Shareholders.

"Determination Date" has the meaning set forth in Section 5(e) of this Agreement.

"Digital Link Holder" has the meaning set forth in the recitals to this Agreement.

"Disclosure Package" means, with respect to any offering of securities (i) the preliminary prospectus, (ii) each Free Writing Prospectus and (iii) all other information, in each case, that is deemed under Rule 159 promulgated under the Securities Act to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

"Effective Date" means the Closing Date, as such term is defined in the Purchase Agreement.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Exchange Act Registration" means the date the Company becomes a reporting company under the Exchange Act.

"F-3 Initiating Holders" has the meaning set forth in Section 5(a) of this Agreement.

"F-3 Registration" has the meaning set forth in Section 5(a) of this Agreement.

"Free Writing Prospectus" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"General Atlantic" has the meaning set forth in the preamble to this Agreement.

"General Atlantic Representative" means the General Atlantic Shareholder appointed and notified to the Company from time to time by the General Atlantic Shareholders holding a majority of the Registrable Securities held by all General Atlantic Shareholders to act on behalf of the General Atlantic Shareholders under this Agreement. The initial General Atlantic Representative shall be General Atlantic.

"General Atlantic Shareholders" means General Atlantic, any Subsequent Purchaser that is an Affiliate of General Atlantic, and any Affiliate thereof to whom Registrable Securities are transferred, subject to Section 11(f) of this Agreement other than a transferee to whom Registrable Securities have been transferred pursuant to a Registration Statement under the Securities Act or Rule 144 or Regulation S under the Securities Act (or any successor rule thereto).

"Hunt 6-A" has the meaning set forth in the preamble to this Agreement.

"Hunt 7-A" has the meaning set forth in the preamble to this Agreement.

"Hunt 7-B" has the meaning set forth in the preamble to this Agreement.

"Incidental Registration" has the meaning set forth in Section 4(a) of this Agreement.

"Indemnified Party" has the meaning set forth in Section 8(c) of this Agreement.

"Indemnifying Party" has the meaning set forth in Section 8(c) of this Agreement.

"Initial Public Offering" means an underwritten initial public offering of ADSs of the Company pursuant to an effective Registration Statement filed under the Securities Act.

"Initiating Holders" has the meaning set forth in Section 3(a) of this Agreement.

"Inspector" has the meaning set forth in Section 7(a)(vii) of this Agreement.

"IPO Effectiveness Date" means the date upon which the Company closes its Initial Public Offering.

"Liability" has the meaning set forth in Section 8(a) of this Agreement.

"Management Holder" has the meaning set forth in the recitals to this Agreement.

"Market Price" means, on any date of determination, the average of the daily Closing Price of the Registrable Securities for the immediately preceding ten (10) days on which the relevant securities exchanges or trading systems are open for trading.

"Marketed Underwritten Shelf Take-Down" has the meaning set forth in Section 5(d) of this Agreement.

"Non-Marketed Underwritten Shelf Take-Down" has the meaning set forth in Section 5(d) of this Agreement.

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Purchase Agreement" has the meaning set forth in the recitals to this Agreement.

"Records" has the meaning set forth in Section 7(a)(vii) of this Agreement.

"Registrable Securities" means any Class A Ordinary Shares currently held or hereafter acquired by the Designated Holders and any other securities issued or issuable with respect to any such Class A Ordinary Shares by way of share split, share dividend, recapitalization, exchange or similar event or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) they are sold pursuant to an effective Registration Statement under the Securities Act, (ii) they are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) are met, (iii) they shall have ceased to be outstanding or (iv) they have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of the securities.

"Registration Expenses" has the meaning set forth in Section 7(d) of this Agreement.

"Registration Statement" means a Registration Statement filed pursuant to the Securities Act, including an Automatic Shelf Registration Statement.

"Rule 144" means Rule 144 under the Securities Act.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Selling Holders' Counsel" has the meaning set forth in Section 7(a)(i) of this Agreement.

"Shelf Holder" has the meaning set forth in Section 5(d) of this Agreement.

"Shelf Take-Down" has the meaning set forth in Section 5(d) of this Agreement.

"Subsequent Purchaser" means any Affiliate of a Designated Holder that, after the date hereof, acquires any Class A Ordinary Shares or Class A Ordinary Share Equivalents.

"Telstra" has the meaning set forth in the recitals to this Agreement.

"Underwritten Shelf Take-Down" has the meaning set forth in Section 5(d) of this Agreement.

"Underwritten Shelf Take-Down Notice" has the meaning set forth in Section 5(d) of this Agreement.

"Valid Business Reason" has the meaning set forth in Section 3(a) of this Agreement.

"Well-Known Seasoned Issuer" means a "well-known seasoned issuer" as defined in Rule 405 promulgated under the Securities Act.

2. Grant of Rights. The Company hereby grants registration rights to the Designated Holders upon the terms and conditions set forth in this Agreement.

3. Demand Registration.

(a) Request for Demand Registration. At any time commencing one hundred and eighty (180) days after the IPO Effectiveness Date, each of the Designated Holders (each, an "Initiating Holder" and collectively, the "Initiating Holders") may make a written request to the Company to register, and the Company shall register, under the Securities Act (other than pursuant to a Registration Statement on Form F-4, S-4 or S-8 or any successor thereto) (a "Demand Registration"), the number of Registrable Securities stated in such request; provided, however, that the Company shall not be obligated to effect:

(i) more than two such Demand Registrations for the General Atlantic Shareholder as a group and more than two such Demand Registrations for the Apax Shareholders as a group;

(ii) a Demand Registration if the Initiating Holder(s), together with the other Designated Holders that include Registrable Securities in the Demand Registration pursuant to Section 4, propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the date of filing of the Registration Statement with respect to such Registrable Securities) to the public of less than US$20,000,000;

(iii) a Demand Registration in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(iv) a Demand Registration if the Initiating Holder(s) may dispose of shares of Registrable Securities pursuant to a Registration Statement on Form F-3 pursuant to a request made under Section 5 hereof;

(v) a Demand Registration in any jurisdiction other than the jurisdiction(s) in which the Company has already effected a registered public offering of its equity securities;

(vi) a Demand Registration during the period ending on the date six (6) months immediately following the effective date of any Registration Statement pertaining to Class A Ordinary Shares or ADSs (other than a Registration Statement on Form S-4 or F-4 or any successor thereto or a Registration Statement with respect to an employee benefit plan (including Form S-8 or any successor thereto)); or

(vii) a Demand Registration if the Company, within ten (10) days of the receipt of the request of the Initiating Holders, gives notice to the General Atlantic Representative (on behalf of the General Atlantic Shareholders) or the Apax Representative (on behalf of the Apax Shareholder), as applicable, of its bona fide intention to effect the filing of a Registration Statement with the Commission within thirty (30) days of receipt of such request (other than with respect to a Registration Statement on Form S-4 or F-4 or any successor thereto, a Registration Statement with respect to an employee benefit plan (including Form S-8 or any successor thereto) or any other registration which is not appropriate for the registration of Registrable Securities).

For purposes of the preceding sentence, two or more Registration Statements filed in response to one demand shall be counted as one Demand Registration. If the Board of Directors, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would (i) be seriously detrimental to the Company or (ii) require the disclosure of important confidential information that the Company has a material business purpose for preserving as confidential or the

disclosure of which would materially impede the Company's ability to consummate a significant transaction (a "Valid Business Reason"), then the Company may (i) postpone filing a Registration Statement relating to a Demand Registration until such Valid Business Reason no longer exists, but in no event for more than ninety (90) days; and (ii) in case a Registration Statement has been filed relating to a Demand Registration, if the Valid Business Reason has not resulted from actions taken by the Company, the Company may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement. The Company shall give written notice to the General Atlantic Representative or the Apax Representative, as applicable, on behalf of the Initiating Holder of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing under this Section 3(a) more than once in any twelve (12) month period. Each request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof.

(b) Effective Demand Registration. Subject to the postponement provisions in Section 3(a), the Company shall use its reasonable best efforts to cause any such Demand Registration to become and remain effective not later than ninety (90) days after it receives a request under Section 3(a) hereof. A registration shall not constitute a Demand Registration until it has become effective and remains continuously effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold and (ii) one hundred and eighty (180) days; provided, however, that a registration shall not constitute a Demand Registration if (x) after such Demand Registration has become effective, such registration or the related offer, sale or distribution of Registrable Securities thereunder is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the Initiating Holder(s) and such interference is not thereafter eliminated or (y) the conditions specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived, other than by reason of a failure by the Initiating Holder(s).

(c) Expenses. The Company shall pay up to US$100,000 of Registration Expenses in connection with any single Demand Registration. Any Registration Expenses in connection with a Demand Registration that is in excess of US$100,000 shall be borne and paid by all of the holders of the securities to be included in such Demand Registration, pro rata based on the value of the Registrable Securities being sold by each holder.

(d) Underwriting Procedures. If the Company or the Initiating Holder(s) holding a majority of the Registrable Securities held by all Initiating Holder(s) so elect, the Company shall use its reasonable best efforts to cause such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved

Underwriter selected in accordance with Section 3(e). If the Approved Underwriter advises the Company that the aggregate amount of Registrable Securities requested to be included in such offering exceeds the number that can be reasonably sold in such offering, then the Company shall be required to include in such registration, to the extent of the amount that the Approved Underwriter believes may be reasonably sold, first, all of the Registrable Securities to be offered for the account of the Initiating Holders, pro rata based on the number of Registrable Securities owned by each such Initiating Holder, second, all of the securities of the shareholders of the Company that are not Initiating Holders (and who requested to participate in such registration) as a group, pro rata based on the number of Class A Ordinary Share Equivalents then owned by each such shareholders and third, all of the securities to be offered for the account of the Company.

(e) Selection of Underwriters. If any Demand Registration or F-3 Registration, as the case may be, of Registrable Securities is in the form of an underwritten offering, the Initiating Holders or the F-3 Initiating Holders, as applicable, shall be entitled to select and obtain an investment banking firm or firms of international reputation to act as the managing underwriters of the offering (the "Approved Underwriter"); provided, however, that the Approved Underwriter(s) selected by the Initiating Holders or the F-3 Initiating Holders, as applicable, shall, in all cases, be subject to the consent of the Company, which consent shall not be unreasonably withheld.

4. Incidental or "Piggy-Back" Registration.

(a) Request for Incidental Registration. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering (i) by the Company for its own account (other than a Registration Statement on Form F-4, S-4 or S-8 or any successor thereto) or (ii) for the account of any shareholder of the Company (including without limitation an Initiating Holder pursuant to Section 3, but excluding for the account of an F-3 Initiating Holder, which shall be governed exclusively by Section 5) (in each case, an "Incidental Registration"), then the Company shall give written notice of such proposed filing to the General Atlantic Representative (on behalf of the General Atlantic Shareholders) and the Apax Representative (on behalf of the Apax Shareholders) at least thirty (30) days before the anticipated filing date, and such notice shall describe the proposed registration and distribution and offer the Designated Holders the opportunity to register the number of Registrable Securities as each such Designated Holder may request (a "Notice of Incidental Registration"). Upon the written request of any Designated Holder (made through the General Atlantic Representative or the Apax Representative, as applicable) made within twenty-five (25) days after receipt of a Notice of Incidental Registration (which request shall specify the Registrable Securities intended to be disposed of by such Designated Holder), the Company shall use its commercially reasonable efforts to permit or, in the case of a proposed underwritten offering, cause the managing underwriter or underwriters (the "Company Underwriter") to permit each of the Designated Holders who have requested in writing to participate in the Incidental Registration to include its or his Registrable Securities in such offering on the same terms and conditions as the securities of the Company or the account of such other shareholder, as the case may be, included therein. In connection with any Incidental Registration under this Section 4(a) involving an

underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, such other shareholders, if any, and the Company Underwriter, and then only in such quantity as the Company Underwriter believes will not jeopardize the success of the offering by the Company. In the case of an offering by the Company for its own account or for the account of any shareholder of the Company (other than for an Initiating Holders in connection with a Demand Registration pursuant to Section 3 or an F-3 Initiating Holder in connection with a F-3 Registration pursuant to Section 5), if the Company Underwriter determines that the registration of all or part of the Registrable Securities which the Designated Holders have requested to be included would exceed the number that can be reasonably sold in such offering, then the Company shall be required to include in such Incidental Registration, to the extent of the amount that the Company Underwriter believes may be reasonably sold, first, all of the securities to be offered for the account of the Company (but only in the case of a Company initiated Incidental Registration), or the account of the shareholder that initiated the Incidental Registration, as the case may be, second, the Registrable Securities to be offered for the account of the Designated Holders pursuant to this Section 4, pro rata based on the number of Registrable Securities owned by each such Designated Holder; and third, any securities to be offered for the account of the Company (but only in the case of an Incidental Registration initiated by a shareholder) and any other securities requested to be included in such offering; and any securities so excluded shall be withdrawn from and shall not be included in the Incidental Registration. For the avoidance of doubt and notwithstanding anything to the contrary set forth in this Section 4(a), (i) in the case of a Demand Registration pursuant to Section 3, to the extent that there is any cutback in the number of shares sold in such offering, such cutback shall be governed by Section 3(d) and (ii) in the case of a F-3 Registration pursuant to Section 5, to the extent that there is any cutback in the number of shares sold in such offering, such cutback shall be governed by Section 5(b).

(b) Expenses. The Company shall bear all Registration Expenses in connection with any Incidental Registration pursuant to this Section 4.

5. Form F-3 Registration.

(a) Request for a Form F-3 Registration. As long as the Company is eligible to use Form F-3 (or any successor form thereto) under the Securities Act in connection with a public offering of its securities, subject to Section 5(c) hereof, in the event that the Company shall receive from any of the General Atlantic Shareholders or the Apax Shareholders (each, an "F-3 Initiating Holders"), a written request that the Company register, under the Securities Act on Form F-3 (or any successor form then in effect) (an "F-3 Registration"), all or a portion of the Registrable Securities owned by such F-3 Initiating Holders, the Company shall give written notice of such request to the General Atlantic Representative (on behalf of the General Atlantic Shareholder) and the Apax Representative (on behalf of the Apax Shareholders) (other than F-3 Initiating Holders which have requested an F-3 Registration under this Section 5(a)) at least ten (10) days before the anticipated filing date of such Form F-3, and such notice shall describe the proposed registration and offer such Designated Holders the opportunity to

register the number of Registrable Securities as each such Designated Holder may request in writing provided by the General Atlantic Representative or the Apax Representative, as applicable, to the Company, given within ten (10) days after their receipt from the Company of the written notice of such registration. If requested by the F-3 Initiating Holders, such F-3 Registration shall be for an offering on a delayed or continuous basis pursuant to Rule 415 under the Securities Act and/or (ii) if the Company is a Well-Known Seasoned Issuer, such F-3 Registration shall be on an Automatic Shelf Registration Statement. With respect to each F-3 Registration, the Company shall, subject to Section 5(b), (i) include in such offering the Registrable Securities of the F-3 Initiating Holders and (ii) use its reasonable best efforts to (x) cause such registration pursuant to this Section 5(a) to become and remain effective as soon as practicable, but in any event not later than forty five (45) days (or, in the case of an Automatic Shelf Registration Statement, fifteen (15) Business Days) after it receives a request therefor and (y) include in such F-3 Registration the Registrable Securities of the Designated Holders (other than F-3 Initiating Holders which have requested an F-3 Registration under this Section 5(a)) who have requested in writing to participate in such registration on the same terms and conditions as the Registrable Securities of the F-3 Initiating Holders included therein.

(b) Form F-3 Underwriting Procedures. If the F-3 Initiating Holders holding a majority of the Registrable Securities held by all of the F-3 Initiating Holders so elect, the Company shall use its commercially reasonable efforts to cause such F-3 Registration pursuant to this Section 5 to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(d). In connection with any F-3 Registration under Section 5(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, the Approved Underwriter and the F-3 Initiating Holders, and then only in such quantity as such underwriter believes do not exceed the number that can be reasonably sold in such offering by the F-3 Initiating Holders. If the Approved Underwriter believes that the registration of all or part of the Registrable Securities which the F-3 Initiating Holders and the other Designated Holders have requested to be included would exceed the number that can be reasonably sold in such public offering, then the Company shall be required to include in the underwritten offering, to the extent of the amount that the Approved Underwriter believes may reasonably be sold, first, all of the Registrable Securities to be offered for the account of the F-3 Initiating Holders, pro rata based on the number of Registrable Securities owned by such F-3 Initiating Holders; second, the Registrable Securities to be offered for the account of the other Designated Holders who requested inclusion of their Registrable Securities pursuant to Section 5(a), pro rata based on the number of Registrable Securities owned by such Designated Holders; and third, any other securities requested to be included in such offering; and any securities so excluded shall be withdrawn from and shall not be included in the F-3 Registration.

(c) Limitations on Form F-3 Registrations. If the Board of Directors has a Valid Business Reason, the Company may (i) postpone filing a

Registration Statement relating to a F-3 Registration until such Valid Business Reason no longer exists, but in no event for more than sixty (60) days, and (ii) in case a Registration Statement has been filed relating to a F-3 Registration, if the Valid Business Reason has not resulted from actions taken by the Company, the Company, upon the approval of a majority of the Board of Directors, may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement. The Company shall give written notice to the General Atlantic Representative or the Apax Representative, as applicable, on behalf of the F-3 Initiating Holders of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing due to a Valid Business Reason more than once in any twelve (12) month period. In addition, the Company shall not be required to effect any registration pursuant to Section 5(a):

(i) within one hundred thirty five (135) days after the effective date of any other Registration Statement of the Company (other than a registration on Form S-4 or F-4 or any successor thereto or a registration with respect to an employee benefit plan (including Form S-8 or any successor thereto));

(ii) if within the twelve (12) month period preceding the date of such request, the Company has effected two (2) registrations on Form F-3 pursuant to Section 5(a);

(iii) if Form F-3 is not available for such offering by the F-3 Initiating Holders;

(iv) if the F-3 Initiating Holders, together with the Designated Holders registering Registrable Securities in such registration, propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the date of the request by the F-3 Initiating Holders for the F-3 Registration) to the public of less than US$5,000,000;

(v) if the Company, within ten (10) days of the receipt of the request of the F-3 Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the Commission within thirty (30) days of receipt of such request (other than with respect to a Registration Statement on a Form S-4 or Form F-4 or any successor thereto, a Registration Statement with respect to an employee benefit plan (including Form S-8 or any successor thereto) or any other registration which is not appropriate for the registration of Registrable Securities); or

(vi) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

(d) (i) Any Designated Holder included in a F-3 Registration (a "Shelf Holder") may initiate an offering or sale of all or part of such Registrable Securities (a "Shelf Take-Down"), in which case the provisions of this Section 5(d) shall apply.

(ii) If a Shelf Holder so elects in a written request delivered to the Company by the General Atlantic Representative or the Apax Representative, as applicable (an "Underwritten Shelf Take-Down Notice"), a Shelf Take-Down may be in the form of an underwritten offering (an "Underwritten Shelf Take-Down") and, if necessary, the Company shall file and effect an amendment or supplement to its Shelf Registration Statement for such purpose as soon as practicable. Such initiating Shelf Holder shall indicate in such Underwritten Shelf Take-Down Notice whether it intends for such Underwritten Shelf Take-Down to involve a customary "road show" (including an "electronic road show") or other substantial marketing effort by the underwriters (a "Marketed Underwritten Shelf Take-Down"). Upon receipt of an Underwritten Shelf Take-Down Notice indicating that such Underwritten Shelf Take-Down will be a Marketed Underwritten Shelf Take-Down, the Company shall promptly (but in any event no later than ten days prior to the expected date of such Marketed Underwritten Shelf Take-Down) give written notice of such Marketed Underwritten Shelf Take-Down to all other Shelf Holders and shall permit the participation of all such Shelf Holders that request inclusion in such Marketed Underwritten Shelf Take-Down who respond in writing within five days after the receipt of such notice of their election to participate. The provisions of Section 5(b) shall apply with respect to the rights of the Shelf Holders to participate in any Underwritten Shelf Take-Down.

(iii) If a Shelf Holder desires to effect a Shelf Take-Down that does not constitute a Marketed Underwritten Shelf Take-Down (a "Non-Marketed Underwritten Shelf Take-Down"), such Shelf Holder shall so indicate in a written request delivered to the Company no later than one Business Days prior to the expected date of such Non-Marketed Underwritten Shelf Take-Down, which request shall include (i) the total number of Registrable Securities expected to be offered and sold in such Non-Marketed Underwritten Shelf Take-Down, (ii) the expected plan of distribution of such Non-Marketed Underwritten Shelf Take-Down and (iii) the action or actions required (including the timing thereof) in connection with such Non-Marketed Underwritten Shelf Take-Down (including the delivery of one or more stock certificates representing shares of Registrable Securities to be sold in such Non-Marketed Underwritten Shelf Take-Down), and, if necessary, the Company shall file and effect an amendment or supplement to its F-3 Registration for such purpose as soon as practicable.

(iv) All determinations as to whether to complete any Non-Marketed Underwritten Shelf Take-Down and as to the timing, manner, price and other terms of any Non-Marketed Underwritten Shelf Take-Down shall be at the discretion of the applicable Shelf Holder.

(e) Expenses. The Company shall pay up to US$100,000 of Registration Expenses in connection with any single F-3 Registration. Any Registration Expenses in connection with an F-3 Registration that are in excess of US$100,000 shall

be borne and paid by all of the holders of the securities to be included in such F-3 Registration, pro rata based on the value of the Registrable Securities being registered.

(f) Automatic Shelf Registration. Upon the Company becoming a Well-Known Seasoned Issuer, (i) the Company shall give written notice to the General Atlantic Representative (on behalf of the General Atlantic Shareholders) and the Apax Representative (on behalf of the Apax Shareholders) as promptly as practicable but in no event later than 10 Business Days thereafter, and such notice shall describe, in reasonable detail, the basis on which the Company has become a Well-Known Seasoned Issuer and (ii) the Company shall, as promptly as practicable, register, under an Automatic Shelf Registration Statement, the sale of all of the Registrable Securities in accordance with the terms of this Agreement. The Company shall use its commercially reasonable efforts to file such Automatic Shelf Registration Statement as promptly as practicable, but in no event later than fifteen (15) days after it becomes a Well-Known Seasoned Issuer, and to cause such Automatic Shelf Registration Statement to remain effective thereafter until there are no longer any Registrable Securities. At any time after the filing of an Automatic Shelf Registration Statement by the Company, if it is reasonably likely that it will no longer be a Well-Known Seasoned Issuer as of a future determination date (the "Determination Date"), (A) at least 10 days prior to such Determination Date, the Company shall give written notice thereof to the General Atlantic Representative (on behalf of the General Atlantic Shareholders) and the Apax Representative (on behalf of the Apax Shareholders) as promptly as practicable and (B) shall file a Registration Statement on an appropriate form (or a post effective amendment converting the Automatic Shelf Registration Statement to an appropriate form) covering all of the Registrable Securities, and use reasonable best efforts to have such Registration Statement declared effective as promptly as practicable (but in no event more than 30 days) after the date the Automatic Shelf Registration Statement is no longer useable to sell Registrable Securities.

(g) No Demand Registration. No registration requested by any F-3 Initiating Holder pursuant to this Section 5 shall be deemed a Demand Registration pursuant to Section 3.

6. Holdback Agreement. Restrictions on Public Sale by the Company. The Company agrees not to effect any public sale or distribution of any of its securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form F-4, S-4 or S-8 or any successor thereto), during the period beginning on the effective date of any Registration Statement in which the Designated Holders are participating and ending on the earlier of (i) the date on which all Registrable Securities registered on such Registration Statement are sold and (ii) ninety (90) days after the effective date of such Registration Statement (except as part of such registration).

7. Registration Procedures.

(a) Obligations of the Company. Whenever registration of Registrable Securities has been requested pursuant to Section 3, Section 4 or Section 5

of this Agreement, the Company shall use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as quickly as practicable, and in connection with any such request, the Company shall, as expeditiously as possible:

(i) prepare and file with the Commission a Registration Statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and use its best efforts to cause such Registration Statement to become effective; provided, however, that (x) before filing a Registration Statement or prospectus or any amendments or supplements thereto, or before using any Free Writing Prospectus, the Company shall provide counsel selected by the Designated Holders holding a majority of the Registrable Securities being registered in such registration ("Selling Holders' Counsel") with an adequate and appropriate opportunity to review and comment on such Registration Statement and each prospectus included therein (and each amendment or supplement thereto) and each Free Writing Prospectus to be filed with the Commission, subject to such documents being under the Company's control, and (y) the Company shall notify the Selling Holders' Counsel and each seller of Registrable Securities of any stop order issued or threatened by the Commission and take all action required to prevent the entry of such stop order or to remove it if entered;

(ii) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus and each Free Writing Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the lesser of (x) one hundred eighty (180) days and (y) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold; provided, that if the F-3 Initiating Holders have requested that an F-3 Registration be for an offering on a continuous basis pursuant to Rule 415 under the Securities Act, then such hundred eighty (180) day period shall be extended, if necessary, to keep the Registration Statement continuously effective, supplemented and amended to the extent necessary to ensure that it is available for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time until all Registrable Securities covered by such Registration Statement have been sold; and shall comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(iii) furnish to each seller of Registrable Securities, prior to filing a Registration Statement, at least one copy of such Registration Statement as is proposed to be filed, and thereafter such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such Registration Statement (including each preliminary prospectus), any other prospectus filed under Rule 424 under the Securities Act, any documents incorporated by reference into the Registration Statement or prospectus and

any Free Writing Prospectus as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller. In addition, upon request, the Company shall furnish to Selling Holder's Counsel a copy of any and all transmittal letters or other correspondence to or received from, the Commission or any other governmental entity or self regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(iv) register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities may request, and to continue such qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any Registration Statement is required to remain effective in accordance with Section 7(a)(ii) above, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(a)(iv), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(v) notify each seller of Registrable Securities (i) of any request of the Commission or any other governmental or regulatory body for any amendment of or supplement to any Registration Statement or other document related to an offering and (ii) upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration Statement or any Free Writing Prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and in the event of any such notice, the Company shall promptly prepare a supplement or amendment to the Registration Statement, the prospectus or Free Writing Prospectus, as the case may be, and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to or an amendment of such Registration Statement, prospectus or Free Writing Prospectus, as the case may be, as may be necessary so that, after delivery to the purchasers of such Registrable Securities, such prospectus or Free Writing Prospectus, as the case may be, shall comply with the requests of the Commission or such other governmental or regulatory body or shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) enter into and perform customary agreements (including an underwriting agreement in reasonable and customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Section 3, Section 4 or Section 5, as the case may be, provided that each Designated Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement) and take such other actions as are prudent and reasonably required in order to expedite or facilitate the disposition of such Registrable Securities;

(vii) make available at times and places reasonably acceptable to the Company for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition of such Registrable Securities pursuant to a Registration Statement, Selling Holders' Counsel and any attorney, accountant or other advisor retained by any such seller or any managing underwriter (each, an "Inspector" and collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent registered public accountants of the Company, to supply all information reasonably requested by any such Inspectors in connection with such Registration Statement. Records and other information that the Company determines, in good faith, to be confidential shall not be disclosed by the Inspectors (and the Inspectors shall confirm their agreement in writing in advance to the Company if the Company shall so request) unless (x) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(viii) if such sale is pursuant to an underwritten offering, obtain "cold comfort" letters dated the effective date of the Registration Statement and the date of the closing under the underwriting agreement from the Company's independent registered public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as Selling Holders' Counsel or the managing underwriter reasonably requests;

(ix) furnish, at the request of the Designated Holders participating in the registration (which request shall be made through the General Atlantic Representative or the Apax Representative, as applicable), on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters, if any, and such seller may reasonably request and are customarily included in such opinions;

(x) with respect to each Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold "by means of" (as defined in Rule 159A(b) promulgated under the

Securities Act) such Free Writing Prospectus or other materials without the prior written consent of the holders of the Registrable Securities covered by such Registration Statement, which Free Writing Prospectuses or other materials shall be subject to the review of Selling Holders' Counsel;

(xi) as expeditiously as possible and within the deadlines specified by the Securities Act, make all required filings of all prospectuses and Free Writing Prospectuses with the Commission;

(xii) as expeditiously as possible and within the deadlines specified by the Securities Act, make all required filing fee payments in respect of any Registration Statement or prospectus used under this Agreement (and any offering covered thereby);

(xiii) comply with all applicable rules and regulations of the Commission;

(xiv) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(xv) keep Selling Holders' Counsel advised in writing as to the initiation and progress of any registration under Section 3, Section 4 or Section 5 hereunder;

(xvi) cooperate with each seller of Registrable Securities and any underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the relevant securities exchange or the Financial Industry Regulatory Authority;

(xvii) promptly incorporate in a prospectus supplement or post-effective amendment to the applicable Registration Statement such information as the Approved Underwriter or Company Underwriter, if any, and the Designated Holders participating in such registration agree (with respect to the relevant class) should be included therein relating to the plan of distribution with respect to such class of Registrable Securities; and make all required filings of such prospectus supplement or post-effective amendment as promptly as reasonably practicable after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(xviii) provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of the applicable registration statement;

(xix) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available, as soon as reasonably practicable, an earning statement covering the period of at least twelve

months, but not more than eighteen months, beginning with the first month after the effective date of the applicable registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act;

(xx) to the extent reasonably requested by the Approved Underwriter or Company Underwriter, as the case may be, in connection with an underwritten offering (including a Underwritten Shelf Take-Down), send appropriate officers of the Company to attend any "road shows" scheduled in connection with any such underwritten offering, with all out of pocket costs and expenses incurred by the Company or such officers in connection with such attendance to be paid by the Company;

(xxi) unless the relevant securities are issued in book-entry form, furnish for delivery in connection with the closing of any offering of Registrable Securities unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested; and

(xxii) use its reasonable best efforts to take all other steps necessary to effect the registration of the Registrable Securities contemplated hereby.

(b) Seller Information.

(i) It shall be a condition precedent to the obligations of the Company to register the Registrable Securities of any Designated Holder that such Designated Holder shall furnish to the Company such information regarding such Designated Holder, the number of Registrable Securities held by them and the manner of distribution of such securities as the Company may from time to time reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

(ii) In connection with any offering under any Registration Statement under this Agreement, each Designated Holder shall not use any Free Writing Prospectus required to be filed with the Commission without the prior written consent of the Company.

(c) Notice to Discontinue. Each Designated Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(a)(v), such Designated Holder shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until receipt of the copies of the supplemented or amended prospectus or Free Writing Prospectus contemplated by Section 7(a)(v) and, if so directed by the Company, such Designated Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Designated Holder's possession, of the prospectus or Free Writing Prospectus covering such Registrable Securities which is current at the time of receipt of such notice. If the Company shall give any such notice, then the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 7(a)(ii)) by the

number of days during the period from and including the date of the giving of such notice pursuant to Section 7(a)(v) to and including the date when sellers of such Registrable Securities under such Registration Statement shall have received the copies of the supplemented or amended prospectus or Free Writing Prospectus contemplated by and meeting the requirements of Section 7(a)(v).

(d) Registration Expenses. The Company shall pay all reasonable expenses arising from or incident to its performance of, or compliance with, this Agreement, including, without limitation: (i) Commission, securities exchange and Financial Industry Regulatory Authority registration and filing fees; (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with "blue sky" qualifications of the Registrable Securities as may be set forth in any underwriting agreement); (iii) all expenses in connection with the preparation, printing, filing and delivery of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to any underwriters and dealers; (iv) the fees, charges and expenses of counsel to the Company and of its independent public accountants and any other accounting fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any "cold comfort" letters or any special audits incident to or required by any registration or qualification); (v) all fees of the depositary of the Company in connection with the deposit by any Designated Holder of their Class A Ordinary Shares in exchange for ADSs; (vi) all expenses with respect to a road show that the Company is obligated to participate in pursuant to the terms of this Agreement; and (vii) any liability insurance or other premiums for insurance obtained in connection with any Demand Registration or piggy-back registration thereon, Incidental Registration or F-3 Registration pursuant to the terms of this Agreement, regardless of whether such Registration Statement is declared effective. All of the expenses described in the preceding sentence of this Section 7(d) are referred to herein as "Registration Expenses." The holders of Registrable Securities sold pursuant to a Registration Statement shall bear the expense of any broker's and sales commission or underwriter's discount or commission relating to registration and sale of such Registrable Securities.

8. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Designated Holder, its partners, directors, officers, affiliates and each Person who controls (within the meaning of Section 15 of the Securities Act) such Designated Holder from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (each, a "Liability" and collectively, "Liabilities"), arising out of or based upon any untrue, or allegedly untrue, statement of a material fact contained in any Registration Statement, prospectus, preliminary prospectus or Free Writing Prospectus or notification or offering circular (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or otherwise included in the Disclosure Package or arising out of or based upon any omission or alleged omission to state therein a material

fact required to be stated therein or necessary to make the statements therein not misleading except insofar as such Liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission contained in such Registration Statement, preliminary prospectus, final prospectus or Free Writing Prospectus or otherwise included in the Disclosure Package, in reliance and in conformity with information concerning such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use therein, including, without limitation, the information furnished to the Company pursuant to Section 8(b). The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to the indemnification of the Designated Holders.

(b) Indemnification by Designated Holders. In connection with any Registration Statement in which a Designated Holder is participating pursuant to Section 3, Section 4 or Section 5 hereof, each such Designated Holder shall promptly furnish to the Company in writing such information with respect to such Designated Holder as the Company may reasonably request or as may be required by law for use in connection with any such Registration Statement, prospectus or Free Writing Prospectus and all information required to be disclosed in order to make the information previously furnished to the Company by such Designated Holder not materially misleading or necessary to cause such Registration Statement not to omit a material fact with respect to such Designated Holder necessary in order to make the statements therein not misleading. Each Designated Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, any underwriter retained by the Company and each Person who controls the Company or such underwriter (within the meaning of Section 15 of the Securities Act) to the same extent as the foregoing indemnity from the Company to the Designated Holders, but only if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information with respect to such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use in such Registration Statement, prospectus or preliminary prospectus or Free Writing Prospectus, or otherwise included in the Disclosure Package, including, without limitation, the information furnished to the Company pursuant to this Section 8(b); provided, however, that the total amount to be indemnified by such Designated Holder pursuant to this Section 8(b) shall be limited to the net proceeds (after deducting the underwriters' discounts and commissions) received by such Designated Holder in the offering to which the Registration Statement, prospectus or preliminary prospectus or Free Writing Prospectus (or Disclosure Package otherwise) relates.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder (the "Indemnified Party") agrees to give prompt written notice to the indemnifying party (the "Indemnifying Party") promptly after the Indemnified Party has actual knowledge of any action, suit, proceeding or investigation or threat thereof for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, however, that the failure so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any Liability that it may have to the Indemnified Party hereunder (except to the extent that the Indemnifying

Party is materially prejudiced or otherwise forfeits substantive rights or defenses by reason of such failure). If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall have the option to assume the defense of such action or any litigation resulting therefrom at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action with counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and such parties have been advised by such counsel that either (x) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (y) there may be one or more legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party. In any of such cases, the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the consent of such Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity has been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability for claims that are the subject matter of such proceeding.

(d) Contribution. If the indemnification provided for in this Section 8 from the Indemnifying Party is unavailable to an Indemnified Party hereunder in respect of any Liabilities referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such Liabilities, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 8(a), 8(b) and 8(c), any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided that the total amount to be contributed by any Designated Holder shall be limited to the net proceeds (after deducting the underwriters' discounts and commissions) received by such Designated Holder in the offering.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the parties under this Section 8 shall be in addition to any liability which any party may otherwise have to any other Person.

(f) For the avoidance of doubt, the provisions of this Section 8 shall survive any termination of this Agreement.

(g) Each of the indemnified Persons referred to in this Section 8 shall be a third party beneficiary of the rights conferred to such Person in this Section.

9. Additional Covenants.

(a) Rule 144. The Company covenants that from and after the IPO Effectiveness Date or an Exchange Act Registration it shall use its best efforts to (i) file any reports and other documents required to be filed by it under the Exchange Act in a timely manner and (ii) take such further action as each Designated Holder may reasonably request (including, without limitation, providing any information necessary to comply with Rule 144 under the Securities Act), all to the extent required from time to time to enable the holders of Registrable Securities to sell such securities without registration under the Securities Act within the limitation of the exemptions provided by (x) Rule 144 under the Securities Act, as such rule may be amended from time to time, or Regulation S under the Securities Act, or (y) any successor rules or regulations hereafter adopted by the Commission to such rules or regulations. The Company shall, upon the request of any Designated Holder, deliver to such holder a written statement as to whether it has complied with such requirements.

(b) ADSs. In the event that the Company pursues an offering or listing of ADSs in the United States, the Company will use its best efforts to file a Registration Statement on Form F-6 which registers a number of ADSs that is sufficient to allow the Designated Holders to exercise their rights under, and sell their Registrable Securities in the United States in the manner contemplated by, Sections 3, 4 and 5 of this Agreement.

10. Non-U.S. Listings.

In the event that the Class A Ordinary Shares or ADSs are listed on any securities exchange outside the United States, the Company shall (a) use all reasonable and diligent efforts to cause all Registrable Securities to be approved for listing and freely tradeable on such stock exchange, subject to any lock-ups required

pursuant to the rules and regulations of the relevant exchange or applicable securities law and (b) furnish to the Designated Holders such number of copies of prospectuses, Free Writing Prospectuses and such other documents as they may reasonably request to facilitate the disposition of Registrable Securities by the Designated Holders on such exchange.

11. Miscellaneous.

(a) Recapitalizations, Exchanges, etc. The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the Class A Ordinary Shares, (ii) any and all voting shares of the Company into which the Class A Ordinary Shares are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the Class A Ordinary Shares and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to enter into a new registration rights agreement with the Designated Holders on terms substantially the same as this Agreement as a condition of any such transaction.

(b) No Inconsistent Agreements. The Company represents and warrants that it has not granted to any Person the right to request or require the Company to register any securities issued by the Company, other than the rights granted herein. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Designated Holders in this Agreement or grant any additional registration rights to any Person or with respect to any securities which are not Registrable Securities which are prior in right to or inconsistent with the rights granted in this Agreement.

(c) Remedies. The Designated Holders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless consented to in writing by (i) the Company, (ii) the General Atlantic Shareholders holding a majority of the Registrable Securities held by all General Atlantic Shareholders and (iii) the Apax Shareholders holding a majority of the Registrable Securities held by all Apax Shareholders. Any such written consent shall be binding upon the Company and all of the Designated Holders. Notwithstanding the first sentence of this

Section 11(d), the Company, without the consent of any other party hereto, may amend this Agreement to add any Subsequent Purchaser as a party to this Agreement as a Designated Holder.

(e) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, facsimile, courier service or personal delivery:

(i) if to the Company:

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
No. 1 Xizhimenwai Ave.
Xicheng District, Beijing 100044
People's Republic of China
Facsimile: (8610) 5930 6137
Attention: Jill Jiao, Chief Counsel
and Investor Relations Officer

(ii) if to the General Atlantic Shareholders:

General Atlantic Mauritius Limited
6th Floor, Tower A
1 CyberCity, Ebene
Mauritius
Fax: +230 403-6060
Attention: The Directors

With a copy (which shall not constitute notice) to:

c/o General Atlantic Service Company, LLC
3 Pickwick Plaza
Greenwich, CT 06830
Telephone: (203) 629-8600
Facsimile: (203) 618-9207
Attention: David Rosenstein, Esq.

With a copy (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Telephone: (212) 373-3000
Facsimile: (212) 757-3990
Attention: Matthew W. Abbott, Esq.

and

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, The Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Facsimile: (852) 2840-4300
Attention: Jeanette K. Chan, Esq.

(iii) If to the Apax Shareholders

Hunt 7-A Guernsey L.P. Inc
Hunt 7-B Guernsey L.P. Inc
Hunt 6-A Guernsey L.P. Inc
Third Floor, Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey GY1 2HJ
Facsimile: +44 (0) 1481 810 099
Attention: Denise Fallaize

with a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Facsimile: +1 (212) 455-2502
Attention: Ryerson Symons, Esq.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if sent by facsimile. Any party may by notice given in accordance with this Section 11(e) designate another address or Person for receipt of notices hereunder.

(f) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure, as hereinafter provided, to the benefit of and be binding upon the successors and permitted assigns of the parties hereto who execute the joinder agreement in the form attached as Schedule 1 hereto. The Demand Registration rights and the F-3 Registration rights and related rights of the Designated Holders contained in Sections 3 and 5 hereof, shall be (i) with respect to any Registrable Security that is proposed to be transferred to an Affiliate of such Designated Holder, transferred to such Affiliate with written notice to the Company prior to or promptly after such transfer and (ii) with respect to any Registrable Security that is proposed to be transferred in all cases to a non-Affiliate, transferred only with the prior written consent of the Company, which consent shall not be unreasonably withheld. The incidental or “piggy-back” registration rights of

the Designated Holders contained in Section 4 hereof and the other rights of each of the Designated Holders with respect thereto shall be, with respect to any Registrable Security, automatically transferred to any Person who is the transferee of such Registrable Security. All of the obligations of the Company hereunder shall survive any such transfer. Except as provided in Section 8, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of a signature page of this Agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. The parties hereto irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in the County of New York, in the State of New York over any suit, action or proceeding arising out of or relating to this Agreement or the affairs of the Company. To the fullest extent they may effectively do so under applicable law, the parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(j) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(j).

(k) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

(l) Rules of Construction. Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement.

(m) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings with respect to the subject matter contained herein, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

(n) Further Assurances. Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

(o) Other Agreements. Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of Registrable Securities or other securities of the Company imposed by, any other agreement including, but not limited to, the Purchase Agreement.

(p) Termination. If the Purchase Agreement terminates prior to Closing (as such term is defined in the Purchase Agreement) for any reason, then this Agreement shall automatically terminate and have no further force or effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Registration Rights Agreement on the date first written above.

SOUFUN HOLDINGS LIMITED

By: /s/ Vincent Tianquan Mo
Name: Vincent Tianquan Mo
Title: Executive Chairman

GENERAL ATLANTIC MAURITIUS LIMITED

By: /s/ Amit Gupta
Name: Amit Gupta
Title: Director

SIGNED BY HUNT 7-A GP LIMITED
as general partner of
HUNT 7-A GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

SIGNED BY HUNT 7-A GP LIMITED
as general partner of
HUNT 7-B GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

SIGNED BY HUNT 6-A GP LIMITED
as general partner of
HUNT 6-A GUERNSEY L.P. INC

By: /s/ David Critchlow
Name: David Critchlow
Title: Director

Schedule 1

FORM OF JOINDER

THIS JOINDER is made on the day of

BETWEEN

(1) [ ] of [ ] (the "New Party");

AND

(2) THE PERSONS WHOSE NAMES ARE SET OUT IN SCHEDULE 1 HERETO (collectively the "Current Parties" and individually a "Current Party");

AND

(3) SOUFUN HOLDINGS LIMITED, a company incorporated in the Cayman Islands and having its registered address at [ ] (the "Company").

WHEREAS a Registration Rights Agreement was entered into on August 13, 2010 by and among, inter alia, the Current Parties and the Company (the "Registration Rights Agreement"), a copy of which the New Party hereby confirms that it has been supplied with and acknowledges the terms therein.

NOW IT IS AGREED as follows:

1. In this Joinder, unless the context otherwise requires, words and expressions respectively defined or construed in the Registration Rights Agreement shall have the same meanings when used or referred to herein.

2. The New Party hereby accedes to and ratifies the Registration Rights Agreement and covenants and agrees with the Current Parties and the Company to be bound by the terms of the Registration Rights Agreement as a [ ] and as if it had been a party thereto from the outset and to duly and punctually perform and discharge all liabilities and obligations whatsoever from time to time to be performed or discharged by it under or by virtue of the Registration Rights Agreement in all respects as if named as a party therein.

3. Each of the Current Parties and the Company covenants and agrees that the New Party shall be entitled to all the benefits of the terms and conditions of the Registration Rights Agreement to the intent and effect that the New Party shall be deemed, with effect from the date on which the New Party is executes this Joinder, to be a party to the Registration Rights Agreement as a [ ].

4. This Joinder shall hereafter be read and construed in conjunction and as one document with the Registration Rights Agreement and references in the Registration Rights Agreement to "the Agreement" or "this Agreement", and

references in all other instruments and documents executed thereunder or pursuant thereto to the Registration Rights Agreement, shall for all purposes refer to the Registration Rights Agreement incorporating and as supplemented by this Joinder.

5. **THIS JOINDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.** The parties hereto irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in the County of New York, in the State of New York over any suit, action or proceeding arising out of or relating to this Agreement or the affairs of the Company. To the fullest extent they may effectively do so under applicable law, the parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

6. Section 11(j) of the Registration Rights Agreement shall apply to this Joinder and shall be incorporated herein by reference.

7. The address of the undersigned for purposes of all notices under the Registration Rights Agreement is: [ ].

[NEW PARTY]

By: _____
Name:
Title:

Exhibit 4.9

CONFIDENTIAL

OPTIONS EXERCISE AGREEMENT

This **OPTIONS EXERCISE AGREEMENT** (this "Agreement"), dated as of August 12, 2010 (the "Exercise Date"), among Telstra International Holdings Limited, a Bermuda company ("Telstra"), SouFun Holdings Limited, a Cayman Islands company (the "Company"), and Mr. Vincent Tianquan Mo, a natural person and the Executive Chairman of the Company ("Mr. Mo").

RECITALS

WHEREAS, Telstra owns (i) 40,726,162 ordinary shares, par value HK$1.00 per share, of the Company ("Ordinary Shares"), and (ii) options, exercisable for 41,250 Ordinary Shares (the "Options"), pursuant to the Company's Stock Option Incentive Plan (the "Plan");

WHEREAS, the Plan was approved by the shareholders of the Company pursuant to a resolution passed on September 1, 1999 and by the board of directors of the Company during a meeting held on April 22, 2010;

WHEREAS, the Options are fully vested and exercisable by Telstra at an exercise price of US$5.00 per Option (the "Exercise Price");

WHEREAS, in connection with a potential initial public offering of American depositary shares of the Company (the "IPO") and /or a potential private sale of Ordinary Shares to certain investors (the "Private Sale"), Telstra contemplates selling up to 40,747,044 Ordinary Shares;

WHEREAS, in advance of the IPO and the Private Sale, Telstra desires to exercise a portion of its Options (the "Exercise Options") in exchange for 20,882 Ordinary Shares;

WHEREAS, the Company desires to repurchase from Telstra, and Telstra desires to sell to the Company, the remaining Options (the "Sale Options") on the terms set forth below; and

WHEREAS, the Company and Telstra have proposed that the purchase price payable to Telstra for the Sale Options shall be applied by the Company in full satisfaction of the aggregate exercise price payable in respect of the Exercise Options.

NOW, THEREFORE, in consideration of the premises and of the representations, warranties, conditions, covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE 1. EXERCISE OF OPTIONS

(a) On the Exercise Date, the Company shall, and Mr. Mo shall procure the Company to, repurchase from Telstra the Sale Options for a purchase price equal to the product of (i) the Exercise Price and (ii) 20,882, or US$104,410.00 (the "Aggregate Repurchase Price").

(b) On the Exercise Date, Telstra shall, by its execution of this Agreement, be deemed to have exercised the Exercise Options in accordance with the terms of the Plan.

(c) The Company shall, and Mr. Mo shall procure the Company to, apply the Aggregate Repurchase Price due to Telstra under Article 1(a) above against the aggregate exercise

price payable by Telstra to the Company in connection with the exercise of Exercise Options described in Article 1(b) above in full satisfaction of the exercise price payable in respect of the Exercise Options; it being understood, that, as a result of such application, no additional consideration is necessary to be exchanged between the Company and Telstra, or any other person, in connection with any of the transactions contemplated by this Article 1.

(d) Within two Business Days of the Exercise Date, the Company shall, and the Mr. Mo shall procure the Company to, deliver to Telstra a certified copy of the Company's register of members, indicating that Telstra is the holder of an additional 20,882 Ordinary Shares, or 40,747,044 Ordinary Shares in the aggregate. "Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the People's Republic of China generally are authorized or required by law or other governmental actions to close.

(e) Upon receipt by Telstra of the certified copy of the Company's register of members described in Article 1(d) above, the aggregate exercise price for the exercise of the Exercise Options shall be deemed to have been paid in full; the Aggregate Repurchase Price shall be deemed to have been paid in full, and Telstra shall be deemed to have exercised the Exercise Options and sold the Sale Options to the Company.

(f) Mr. Mo acknowledges and agrees that the Aggregate Repurchase Price shall be sufficient consideration for the exercise by Telstra of the Exercise Options.

(g) The Company and Mr. Mo shall, and Mr. Mo shall procure the Company to, take any and all actions (corporate or otherwise) necessary or desirable to effect the transactions contemplated by this Article 1.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES

Each party hereto hereby represents and warrants to the other party that it has full legal right and requisite power and authority (corporate or otherwise) and has taken all actions necessary in order to execute, deliver and perform fully its obligations under this Agreement. When executed and delivered by the parties hereto, this Agreement shall constitute a valid and binding agreement of such party, enforceable against such party in accordance with its terms.

ARTICLE 3. MISCELLANEOUS

(a) This Agreement shall be construed in accordance with the laws of the State of New York.

(b) Any dispute, controversy or claim between the parties arising out of or relating to or concerning this Agreement shall be finally settled by arbitration in Hong Kong in accordance with the rules of the International Court of Arbitration of the International Chamber of Commerce.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the date first above written.

SOUFUN HOLDINGS LIMITED

By: /s/ Vincent Tianquan Mo
Name: Vincent Tianquan Mo
Title: Executive Chairman

TELSTRA INTERNATIONAL HOLDINGS LIMITED

By: /s/ Michael Sheehy
Name: Michael Sheehy
Title: M & A Counsel

VINCENT TIANQUAN MO

/s/ Vincent Tianquan Mo
Vincent Tianquan Mo

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
No.1 Xizhimenwai
Xicheng District
Beijing 100044
P.R.C.

Dear Sirs,

Re: **SouFun Holdings Limited (the "Company")**

We have acted as special Cayman Islands legal counsel to the Company in connection with a registration statement on Form F-1 to be filed with the U.S. Securities and Exchange Commission (the "Commission") (the "Registration Statement", which term does not include any other document or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto), relating to the registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") of class A ordinary shares, par value HK$1.00 to be offered by certain shareholders of the Company (the "Ordinary Shares").

For the purposes of giving this opinion, we have examined a copy of the Registration Statement. We have also reviewed the memorandum of association and articles of association of the Company, each certified by the Secretary of the Company on August 4, 2010, copies of minutes of a meeting of the members of the Company held on August 4, 2010 and minutes of a meeting of the board of directors of the Company held on August 4, 2010 (together, the "Minutes"), a certificate of good standing issued by the Registrar of Companies in relation to the Company on August 4, 2010 (the "Certificate Date") and such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) that where a document has been examined by us in draft form, it will be or has been executed in the form of that draft, and where a number of drafts of a document have been examined by us all changes thereto have been marked or otherwise drawn to our attention; (c) the accuracy and completeness of all factual representations made in the Registration Statement and other documents reviewed by us; and (d) that there is no provision of the law of any jurisdiction, other than the Cayman Islands, which would have any implication in relation to the opinions expressed herein.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than the Cayman Islands. This opinion is to be governed by and construed in accordance with the laws of the Cayman Islands and is limited to and is given on the basis of the current law and practice in the Cayman Islands. This opinion is issued solely for the purposes of filing the Registration Statement and the offering of the Ordinary Shares by the Company and is not to be relied upon in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that:

1. As at the Certificate Date, the Company is duly incorporated and existing under the laws of the Cayman Islands in good standing (meaning solely that it has not failed to make any filing with any Cayman Islands government authority or to pay any Cayman Islands government fee which would make it liable to be struck off by the Registrar of Companies and thereby cease to exist under the laws of the Cayman Islands).

2. The Ordinary Shares, when sold as contemplated by the Registration Statement, will be duly authorised by the Company and validly issued, fully paid and non-assessable (which term means when used herein that no further sums are required to be paid by the holders thereof in connection with the issue of such shares).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to our firm under the captions “Enforceability of Civil Liabilities” and “Legal Matters” in the prospectus forming a part of the Registration Statement. In giving this consent, we do not hereby admit that we are experts within the meaning of Section 11 of the Securities Act or that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder.

Yours faithfully,

Conyers Dill & Pearman

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
No.1 Xizhimenwai
Xicheng District
Beijing 100044
P.R.C.

Dear Sirs,

Re: **SouFun Holdings Limited (the "Company")**

We have acted as special Cayman Islands legal counsel to the Company in connection with a registration statement on Form F-1 to be filed with the U.S. Securities and Exchange Commission (the "Commission") (the "Registration Statement", which term does not include any other document or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto), relating to the registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") of class A ordinary shares, par value HK$1.00 to be offered by the Company (the "Ordinary Shares").

For the purposes of giving this opinion, we have examined a copy of the Registration Statement. We have also reviewed and relied upon (1) the memorandum of association and the articles of association of the Company, (2) a copy of an undertaking from the Governor-in-Council of the Cayman Islands under the Tax Concessions Law (1999 Revision) dated 29 June, 2004, and (3) such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (i) the genuineness and authenticity of all signatures, stamps and seals and the conformity to the originals of all copies of documents (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (ii) the accuracy and completeness of all factual representations made in the Registration Statement and other documents reviewed by us, and (iii) that there is no provision of the law of any jurisdiction, other than the Cayman Islands, which would have any implication in relation to the opinions expressed herein.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than the Cayman Islands. This opinion is to be governed by and construed in accordance with the laws of the Cayman Islands and is limited to and is given on the basis of the current law and practice in the Cayman Islands. This opinion is

issued solely for the purposes of filing the Registration Statement and the offering of the Ordinary Shares by the Company and is not to be relied upon in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that the statements relating to certain Cayman Islands tax matters set forth under the caption "Taxation — Cayman Islands taxation" in the prospectus (the "Prospectus") forming part of the Registration Statement is true and accurate based on current law and practice at the date of this letter and that such statements constitute our opinion.

We hereby consent to the filing with the Securities and Exchange Commission of this letter as an exhibit to the Registration Statement of which the Prospectus is a part, and the reference to us under the captions "Taxation", "Legal matters" and "Enforcement of civil liabilities" in the Prospectus contained in the Registration Statement. In giving the foregoing consent, we do not admit that we are within the category of persons whose consent is required under section 7 of the United States Securities Act of 1933.

Yours faithfully,

Conyers Dill & Pearman

SIDLEY AUSTIN LLP
SIDLEY

SIDLEY AUSTIN LLP
787 SEVENTH AVENUE
NEW YORK, NY 10019
(212) 839 5300
(212) 839 5599 FAX

BEIJING HONG KONG SHANGHAI
BRUSSELS LONDON SINGAPORE
CHICAGO LOS ANGELES SYDNEY
DALLAS NEW YORK TOKYO
FRANKFURT PALO ALTO WASHINGTON, D.C.
GENEVA SAN FRANCISCO

FOUNDED 1866

Exhibit 8.2

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Re: 2,933,238 American Depositary Shares, representing 11,732,952 Ordinary Shares of SouFun Holdings Limited

Ladies and Gentlemen:

We have acted as special United States counsel to SouFun Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands (the "Issuer"), in connection with the offering of 2,933,238 American depositary shares, each representing four ordinary shares, par value HK$1.00 per share, of the Issuer, pursuant to the registration statement on Form F-1 under the Securities Act of 1933, as amended (the "Act"), initially filed by the Issuer on September 2, 2010 (File No. 333-[ ]), as amended (the "Registration Statement"). The American depositary shares will be issued pursuant to a separate registration statement on Form F-6 under the Act.

As special United States counsel to the Issuer, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, records and other documents and have made such examination of law as we have deemed necessary or appropriate for the purpose of this opinion. In rendering the opinion expressed below, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as certified or photostatic copies or by facsimile or other means of electronic transmission and the authenticity of the originals of such latter documents. We have assumed and have not verified the accuracy as to factual matters set forth in the above-referenced documents. We have also assumed that the Conyers Dill & Pearman opinion (dated the date hereof and contained in Exhibit 8.1 of the Registration Statement) in respect of the Issuer is correct, and we have relied on their opinion as to all matters of Cayman Islands law.

Based upon the foregoing and consideration of such other matters as we have deemed appropriate, we confirm and adopt as our opinion the statements contained in the Registration Statement under the heading "Taxation—United States Federal Income Taxation," to the extent that they constitute matters of United States federal tax law or legal conclusions with respect thereto.

The opinion set forth herein is based upon the existing provisions of the Internal Revenue Code of 1986, as amended, and Treasury regulations issued or proposed thereunder, published Revenue Rulings and releases of the Internal Revenue Service and existing case law, any of which could be changed at any time. Any such changes may be retroactive in application and could modify the legal conclusions upon which such opinion is based. The opinion expressed herein is limited as described above, and we do not express an opinion with respect to any tax matters other than in connection with the statements contained in the Registration Statement under the heading "Taxation—United States Federal Income Taxation."

In rendering the foregoing opinion, we express no opinion as to the laws of any jurisdiction other than the federal income tax laws of the United States. This opinion is rendered as of the date hereof and we undertake no obligation to update this opinion or to advise you of any changes in the event there is any change in legal authorities, facts, assumptions or documents on which this opinion is based (including the taking of any action by any party to the above-referenced documents pursuant to any opinion of counsel or a waiver) or any inaccuracy in any of the representations, warranties or assumptions upon which we have relied in rendering this opinion, unless we are specifically engaged to do so.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the references to this firm (as special United States counsel to the Issuer) and the summarization of our opinion under the heading "Taxation—United States Federal Income Taxation" in the Registration Statement, without implying or admitting that we are "experts" within the meaning of the Act or the rules and regulations of the Securities and Exchange Commission issued thereunder, with respect to any part of the Registration Statement, including this exhibit.

Very truly yours,

/s/ Sidley Austin LLP

Form of Employment Contract
(Summary Translation)

Contract No: *[specify]*

Party A: *[specify employer name]*

Legal representative or authorized agent:
[specify]

Party A's Address: *[specify]*

Party B: *[specify employee name]*

Level of education: *[specify]*
Gender: *[specify]*
Date of birth: *[specify date]*
Resident ID number: *[specify]*
Location of household: *[specify]*

Home Address: *[specify]*
Postal Code: *[specify]*

In accordance with the relevant stipulations set forth by the "Labor Law of the People's Republic of China" and the national government, Party A (hereinafter the "Company") and Party B (hereinafter the "Employee"), after a consultation with each other on the basis of equality, are willing to execute this Contract and abide by the following terms under this Contract:

PART I: The execution and term of the employment contract and the probation time

Article 1 This Contract is a contract with a fixed term. This Contract begins from *[specify date]* and ends on *[specify date]*. The term of this Contract shall be *[specify]* months, during which the period of time starting from *[specify date]* and ending on *[specify date]* shall be the probation time (not applicable to an employee on a sales position, the probation time for whom will be determined in accordance with the relevant sales system of the Company).

Article 2 *[specify]* day(s) prior to the expiration of this Contract, the Company and the Employee will discuss matters related to the renewal of this Contract. Unless the two parties enter into an agreement to renew this Contract in writing, this Contract will automatically expire on the expiration day of this Contract.

Article 3 The Employee guarantees to the Company that he/she does not have any existing contracts or obligations to prevent him/her from executing this Employment Contract. If the Employee is still in dispute with another organization, the Employee shall handle the matter and assume the responsibilities by himself/herself. The Company does not have anything to do with the matter. If the Company shall incur any losses therefrom, the Employee shall be liable therefor and shall hold the Company harmless therefrom.

Article 4 At the time the employment begins, the Employee shall honestly complete the "Application for Employment" and provide relevant supporting documents required by the Company. The Employee guarantees that all information and documents he/she provides are true and lawful. If it is found out that false information has been provided, the Company may terminate the employment relationship with the Employee at any time, and the Employee shall compensate the Company for any losses suffered by the Company therefrom. The Employee guarantees that he/she understands the job description, the work environment, the location of the employment, the occupational hazards, the safety in the workplace, the compensation for the employment, and other information at the time this Contract is executed.

PART II: The employee, work hours, and job description

Article 1	The Employee agrees that he/she will assume his/her responsibility at *[specify branch]* based on the needs of the Company.
Article 2	The Company has the right to promote the Employee, relocate the Employee to a different department from time to time and adjust his/her position based on the needs of the Company and on the Employee's capability and performance. The Employee, without justifiable reasons, may not refuse to accept such changes of responsibilities, and shall assume the new responsibilities after the change of position and accept the salary based on the changed position. All such changes shall be based on the position/salary adjustment notification sheet provided by the Company.
Article 3	The Employee shall work full time, observe the instructions of the Company, obey the management and arrangement of the Company, complete the tasks punctually, and meet the quality standards set forth by the Company. During the term of this Contract, without the Company's written permission, the Employee may not engage in activities in other industries, businesses, or occupations outside the employment.
Article 4	The Employee may request transfers to another department or position based on his/her own special skills and ability by following the relevant procedures therefor, including submission of an application and obtaining of the approval in accordance with the requirements set forth by the Company. The Employee may be so transferred only after obtaining the Company's agreement.

PART III: Employee labor protection and work environment

Article 1	The Employee's work hours, time off and vacations shall be determined according to the relevant stipulations set forth by the national government and the Company.
Article 2	The Company will provide necessary work environment and labor protection facilities for the Employee in accordance with the stipulations set forth by the national government with respect to the safety in the workplace, labor protection, sanitation, health, etc.

PART IV: The compensation for the Employee

Article 1	The Company will determine the Employee's compensation package based on the Employee's performance, contribution to the Company, and the Company's operational results. The Company is committed to the development of the Company, to the continuous creation of best economic results and social effects, to the improvement of the Employee's salary, bonus, and benefits in an effort to enable the Employee's development.
Article 2	The Company will calculate the salary payable to the Employee in accordance with the established standards for salary payment and the performance of the Employee as evaluated by the management of the Company. The salary payment will be made in Renminbi through a bank wire.
Article 3	The Employee's salary will be adjusted by the Company in accordance with his/her performance, the operational results of the department where the Employee works and the overall operational results of the Company, provided that it shall not be lower than the minimum salary set forth by the local government.
Article 4	The severance pay for the Employee will be determined in accordance with the stipulations set forth by the government.

Article 5	The personal income tax, payable according to the law and relevant regulations, on all salaries, bonuses, and any other payments to the Employee made by the Company under this Contract shall be the Employee's responsibility.
Article 6	The Employee's salary remains the Company's confidential information. The Employee has the responsibility to keep such information confidential and may not disclose such information to anyone unless such disclosure is compelled by the applicable law. If there has been an unauthorized disclosure, the Company reserves the right to take actions against it, including economic penalties up to the total of the Employee's salaries for 12 months and the right to terminate the employment.

PART V: The Employee and the insurance benefits

Article 1	In accordance with the stipulations set forth by the national and local governments, the Company will make arrangements with respect to social endowment insurance, unemployment insurance, medical insurance, occupational injury insurance, and others. It is agreed that the portion of the social and labor insurances to be contributed by the Employee will be deducted from the Employee's salary by the Company on behalf of the Employee.
Article 2	If the Employee is sick or injured outside of his/her work, the salary for the sick leave and medical benefit shall be determined as set forth by the Company in accordance with the applicable laws and regulations.
Article 3	If the Employee suffers from an occupational disease or an on-the-job injury, the Employee's salary and medical insurance benefit shall be determined in accordance with the relevant stipulations set forth by the national and local governments.

PART VI: Employee labor disciplines

Article 1	The Employee has the responsibility and obligation to understand, be familiar with, and abide by various rules and regulations.
Article 2	If the Employee is in violation of the labor disciplines or the Company's regulations and procedures or has caused damages to the Company (including but not limited to causing damages to the property of the Company, causing the Company to incur losses, causing damages to the Company's reputation, creating disaccord or disruption among employees), or has harmed himself/herself or other employees or staff members, the Company may take disciplinary actions against the Employee based on the seriousness of the consequences in accordance with the stipulations. The actions may include verbal warning, written warning, economic penalty, suspense of employment without pay, transfer to another position, or reduction of salary, compensation to the Company for the losses suffered by the Company to the extent caused by the Employee, and the termination of this Contract.
Article 3	The Company may amend and supplement the relevant rules and regulations based on its operational and managerial needs. The Employee shall abide by such stipulations and systems once they are released.

PART VII: Invention during employment and confidentiality clause

Article 1	The Company owns the technical inventions, innovations, and other intellectual property created by the Employee during his/her employment with the Company, the right to file a patent application therefor, and the income from all operations and services generated therefrom.
Article 2	The Company's trade secrets include: the Company's operational strategies, report on market analysis,

marketing strategies, managerial systems, intelligence and information, advertisement and creative work, archived video and data, accounting and auditing information, and other information related to the operations; such technical information as the process of developing the Company's platforms, technical data, technical documents, source programs, and such other confidential information as specified by the Company.

Article 3 The Employee undertakes that, during his/her employment, he/she will assume responsibilities for keeping confidential the Company's trade secrets, and will not disseminate, duplicate, reprint, take with him/her, make public, disclose to any third party, or dispose of the Company's trade secrets without the authorization by the Company; in case of an unauthorized disclosure caused by the Employee, either on purpose or due to negligence on the part of the Employee, the Employee shall be liable for all damages so caused and shall compensate the Company for such damages.

Article 4 The Employee undertakes that, during his/her employment, he/she will not operate by himself/ herself or operate with others the same type of business as the Company's, and will not take a part-time job of similar nature from another organization. The Company shall have the right to initiate a legal actions against the Employee and his/her employer of such part-time job in such an event.

Article 5 The Employee agrees that at the time this Contract is executed, the Employee has carefully reviewed the content of the attachment entitled the "Confidentiality Clauses" and understands the legal implications of each of these "Confidentiality Clauses."

PART VIII: The revision, revocation, and termination of this Contract

Article 1 If the law, administrative regulations, and rules on which this Contract is based are amended, the relevant contents of this Contract shall be revised accordingly.

Article 2 If the actual situations on which this Contract is based have significantly changed, which has rendered the performance of this Contract impossible, the relevant contents of this Contract may be amended upon the two parties' agreement.

Article 3 The changes to this Contract will only be effective after Party A and Party B have agreed on the changes and confirmed the changes in writing after discussions.

Article 4 This Contract can be revoked after Party A and Party B have reached an agreement thereon after discussion.

Article 5 In case of any of the following situations, the Company may revoke this Contract and shall not be liable to the Employee for any economic compensation. In addition, the Department of Human Resources of the Company will keep a record and determine the economic penalties based on the breaches and the seriousness thereof.

1. The Employee did not meet the Company's standards for hiring during the probation period;
2. The Employee seriously violated labor disciplines or rules and regulations (such as absence from work, failure to complete the tasks assigned to him/her on purpose);
3. The Employee is found to be seriously negligent or trying to gain personal advantage by using his/her influence in his/her position;
4. The Employee has caused the Company to suffer losses because of bribery, theft, or use of the Company's or other employees' property for his/her personal advantage, serious negligence or misconduct, or actions that may result in serious personal injury or damage to the Company's property;
5. The Employee engaged in business activities with the Company's customers, suppliers, or other partners that are not relevant to the Company's business by using the Company's name or utilizing

his/her position in the Company;

6. The Employee disclosed the Company's confidential information or trade secrets without authorization;

7. The Employee refused to take the position assigned to him/her or refused to be transferred to another department;

8. The Employee in a sales position failed to meet the requirements set forth in the "Methods for Evaluating the Performance of Sales Persons" of the Company;

9. Legal actions have been taken against the Employee in accordance with the law because of criminal activities; and

10. The Employee has been absent from work for a succession of 3 days (inclusive) or for a total of 7 days (inclusive) within one year without cause or reason. Such behavior will be regarded as a serious violation of the Company's rules and regulations.

Article 6 After the Employee has completed the probation period and become a formal employee, if one of the following situations exists, the Company can revoke this Contract provided the Employee shall be given a 30-day notice thereof in writing, or shall be paid a total sum that is equivalent to the Employee's one-month salary before the termination of the employment in lieu of notice:

1. The Employee is not able to perform the original duty nor can the Employee perform other duties assigned by the Company after medical treatments for health conditions or injuries outside of work;

2. The Employee is no longer competent for his/her current position due to his/her knowledge structure or ability to do the work, and he/she is still not competent in his/her position according to the requirements of the Company after receiving trainings or being transferred to another position;

3. If the Company is on the verge of bankruptcy and is in the period of time when the Company is going through restructuring or the production and operations are experiencing serious difficulties, the Company may revoke this Contract after the matter is explained to all employees of the Company, the Company has listened to the opinions of the employees, and the relevant governmental administrative authority in charge of labor affairs has been informed thereof.

Article 7 In any of the following events, the Company may not revoke this Contract with the Employee:

1. The Employee is sick or has been injured on the job, and is within the period of time when medical treatment should be received in accordance with the stipulations of the PRC Labor Law; and

2. The Employee is a female and is pregnant, in the middle of prenatal period, or breastfeeding period.

Article 8 In the case of one of the following events, the Employee may inform the Company to revoke this Contract:

1. The Employee is still during the probation time; provided that the Company shall be given at least 7 days of written notice in advance and that the Employee shall have made proper arrangement to hand over his/her work to other designated employees; provided further that, in the event of failure of such notice or proper handover, the Company reserves the right to impose economic penalties;

2. The Company forces the Employee to work by using such means as force, threat, confinement, or illegal restriction of personal freedom; and

3. The Company fails to pay the compensation for the work or provide a proper work environment.

Article 9 Except for the probation time, during the term of this Contract, the Employee has the right to resign from his/her position and terminate this Contract; provided that the Company shall be given a 30-day written prior notice; except where the Employee has caused the Company to suffer economic losses and the matter is pending conclusion or the Employee is otherwise subject to investigation.

Article 10 If the Employee revokes this Contract in violation of provisions hereof and causes the Company to

suffer losses, the Employee shall compensate the Company for the losses, including:

1. The cost for training the Employee paid by the Company, unless there are other agreements between the two parties, in which case the matter shall be handled in accordance with such other agreements;

2. The Employee has caused direct economic losses to the Company; and

3. Other costs indemnifiable by the Employee to the Company in accordance with this Contract.

Despite the completion of the procedures for the termination of the employment, if the Employee is found to have caused the Company to suffer losses whether during or after his/her employ at the Company as provided in this Contract, the Company shall have the right to hold the Employee economically and legally liable and to seek compensation from the Employee for the losses so suffered by the Company and/or injunction with respect to the breaches by the Employee.

Article 11 In the case of one of the following events, this Contract shall terminate automatically:

1. This Contract expires according to its terms;

2. The conditions exist under which this Contract terminates as provided herein;

3. The Employee has reached the legal retirement age as provided under the relevant laws;

4. The Company is legally bankrupt or dissolved; and

5. Other situations as set forth in the relevant law, legal decrees, rules and regulations.

Article 12 Whatever the cause for the termination of this Contract, the Employee has the obligation to cooperate with the Company to complete the proper procedures for the termination of the employment. Before the procedures for the termination of the employment are completed, the Company has the right to temporarily postpone the payment of one month's salary.

PART IX: Liability for breach of this Contract and labor dispute

Article 1 In the event of a labor dispute between the Company and the Employee, the two parties may request that the matter be subject to mediation, arbitration, or judicial ruling. The arbitral and judicial authorities should mediate the matter first.

Article 2 If the Employee has breached this Contract, the Company has the right to hold the Employee liable (including imposing economic penalties up to the total of the Employee's salaries for 12 months) and the right to terminate the employment. If the Company has breached this Contract, the Employee reserves the right to seek economic compensation from the Company.

Article 3 A labor dispute shall be solved according to the following procedures:

1. The Employee's supervisor or a representative from the Department of Human Resources of the Company will try their best to solve the dispute through negotiations.

2. If the above mentioned efforts fail to solve the dispute, the General Manager of the Company or the representative designated by the General Manager will try once again on behalf of the Company to solve the dispute through negotiations.

3. If the two parties still cannot reach an agreement after the above-mentioned mediation efforts, either party or both parties of the labor dispute may request arbitration by a labor dispute arbitral committee.

4. If either party does not agree with such arbitral award, said party may initiate a lawsuit at the local People's Court within 15 days after said party is informed of the arbitral award.

PART X: Miscellaneous

Article 1	This Contract falls into the category of the Company's confidential information about the management of human resources. The Employee shall not disclose such information to anyone in violation of his/her confidentiality obligations hereunder. If there has been an unauthorized disclosure, the Company reserves the right to take actions against the Employee for the unauthorized disclosure (including economic penalties up to the total of the Employee's salaries for 12 months) and the right to terminate the Employee's employment.
Article 2	During the term of this Contract, if the Employee cannot continue to work with the Company for reasons related to the Employee's employment history register that is kept by the original employer and the household register, or other reasons related to personnel relation control, the Company has the right to deduct the Employee's salary. If the Company has suffered additional economic losses therefrom, the Employee has the obligation to compensate the Company.
Article 3	For any dispute arising from the Employee's employment history register that is kept by the original employer, the household register or other matters related to personnel relation control, the Company shall not assume any joint and several obligations.
Article 4	The rules and regulations published by the Company through various official channels and all agreements entered into and between the Company and the Employee are regarded as the appendices to this Contract.
Article 5	If the Employee is in violation of the labor disciplines, the Company may, in accordance with the Company's rules and regulations, take disciplinary actions, including the termination of this Contract.
Article 6	For matters that are not covered by this Contract or if this Contract is in conflict with the relevant stipulations set forth by the relevant national and/or local government, the relevant stipulations shall prevail.
Article 7	This Contract is executed in two counterparts with equal legal effect, and Party A and Party B shall each keep one copy. This Contract shall come into effect upon signature and seal by both parties.

Party A (seal)

Legal representative or authorized agent
(signature and seal)

Date of Execution: *[specify]*

Party B: (signature and seal)

Date of Execution: *[specify]*

Confidential Clauses

In consideration of compensation made by Party A to Party B, the two parties have entered into the following agreements with regard to matters related to Party A's confidential technical information and other trade secrets during and after the time of Party B's employment with Party A:

Article 1. The two parties acknowledge that the invention, work, computer software, confidential technical information, or other trade secrets generated by Party B during his/her time of employment with Party A when performing his/her duties or by mainly using the physical technical setup and business information shall be owned by Party A. Party A can use such invention, work, computer software, confidential technical information, or other trade secrets freely and to their full extent within Party A's scope of business operations in connection with its production and operations or transfer them to a third party. Party B shall, upon Party A's request, provide all necessary information and take all necessary steps, including filing for application and registration, to assist Party A in its effort to obtain and use the relevant intellectual property.

The relevant right to the invention and the right to claim authorship and other moral rights to the above stated invention, work, computer software, confidential technical information and other trade secrets shall be owned by Party B in the capacity of the inventor, creator, or developer. Party A shall respect Party B's moral rights and assist Party B in exercising these rights.

Article 2. With regard to the invention, work, computer software, confidential technical information and other trade secrets that were created by Party B during his/her time of employment with Party A and that are related to Party A's business, if Party B intends to claim the intellectual property thereof, Party B shall make it clear to Party A as earlier as possible. If Party A has verified that any of the invention, work, computer software, confidential technical information and other trade secrets is not the results of the employment, Party B shall own the intellectual property, and Party A shall not utilize these results in its production, operation, or transfer them to a third party without the explicit authorization by Party B.

If Party B does not claim the right, and it is inferred that any of the invention, work, computer software, confidential technical information and other trade secrets is the results of employment, Party A can utilize these results in its production, operation, or transfer them to a third party. Even if it is proved later that it is not the results of employment, Party B shall not claim that Party A is economically liable therefor. After Party B has claimed the right, if Party A disputes the right and ownership of the results, the matter may be settled through negotiations; if the negotiations fail, the dispute may be solved through litigation or arbitration.

Article 3. During the time of his/her employment with Party A, Party B shall abide by any written or unwritten rules and regulations regarding confidentiality set forth by Party A and assume his/her responsibilities in terms of confidentiality in connection with his/her duties.

In the areas where Party A's rules and regulations do not provide any guideline or do not provide a clear guideline, Party B shall also take necessary and reasonable measures in a prudent and honest manner to keep confidential any confidential technical information and other trade secrets that he/she has come to know or hold during the time of his/her employment and that are owned by Party A or owned by a third party but Party A has assumed the responsibility for their confidentiality.

Article 4. Unless it is necessary for the purpose of performing his/her duties, Party B undertakes that, without Party A's agreement, Party B shall not disclose, disseminate, publicize, release, publish, transmit, transfer, or otherwise let any third party (including a Party A's employee who should not know the confidential information according to the requirements of the regulations regarding confidentiality) know any confidential technical information and other trade secrets that are owned by

Party A or owned by a third party but Party A has assumed the responsibility for their confidentiality, nor shall he/she use such confidential information other than when performing his/her duties.

If Party B's supervisor agrees that Party B may disclose or use relevant confidential technical information or other trade secrets, Party A is deemed to have agreed to do so unless Party A has explicitly clarified that said supervisor does not have the authority to do so.

Article 5. Both parties agree that Party B shall have the same obligations to keep confidential or not to use without authorization the confidential technical information and other trade secrets that he/she was exposed to or has come to know during the time of his/her employment with Party A and that are owned by Party A or owned by a third party but Party A has assumed the responsibility for their confidentiality after his/her employment is terminated regardless the cause for such termination of Party B's employment.

The term of Party B's obligation of confidentiality after the termination of his/her employment is indefinite until Party A makes an announcement that the information is no longer confidential or the confidential information has in fact been known to the general public.

Article 6. Party B undertakes that during the time when he/she is performing his/her duties for Party A, he/she will not use any confidential technical information or other trade secrets owned by any other party without authorization, nor will he/she decide for himself/herself to carry out an action that might infringe on the intellectual property of other parties.

If Party B is in violation of the foregoing undertaking and has caused Party A to be sued for infringement of right by a third party, Party B shall be responsible for all costs paid by Party A in its effort to defend itself; shall Party A be found liable for infringement of right, it shall have the right to request payment from Party B. The above mentioned legal fees and liability for infringement of rights can be deducted from Party B's salary.

Article 7. If Party B, when performing his/her duties, has inevitably infringed on the intellectual property of other parties as a result of following Party A's explicit request or in an effort to complete the tasks that were assigned to him/her explicitly by Party A, and Party A has been sued by a third party for infringement of right, Party B shall not be responsible for the legal fees and the liability for the infringement. A request by or a task assigned by Party B's supervisor is deemed to be a request by or a task assigned by Party A, unless Party A has explicitly clarified that said supervisor does not have the authority.

Article 8. All documents, data, charts, notes, reports, letters, faxes, tapes, disks, instruments and media of any other form in the possession of or kept by Party B for the purpose of performing his/her duty which carry Party A's confidential information are Party A's property regardless if such confidential information has any business values.

If the media that carries confidential information is provided by Party B, Party B is deemed to have transferred the ownership of these media to Party A. When returning the media to Party B, Party A shall pay Party B an amount that is equivalent to the value of the media itself by way of compensation.

Article 9. Party B shall, when the employment is terminated, or upon Party A's request, return all Party A's property to Party A, including the media that carries Party A's confidential information.

If the media which has confidential information recorded in it was provided by Party B, and the confidential information can be removed from or copied from the media, Party A can duplicate the confidential information to another media owned by Party A and delete the confidential information from

the original media. In this case, Party B does not need to return the media, and Party A does not need to compensate Party B.

Article 10. The “confidential technical information” as mention herein includes but not limited to technical solution, engineering design, circuit design, manufacturing method, formula, process, technical index, computer software, database, record of research and development, technical report, test report, test data, test result, drawing, samples, sample machine, models die set, operator’s manual, technical archives, relevant correspondences, etc. The “other trade secrets” as mentioned herein includes but not limited to list of customers, marketing plan, information related to purchasing, pricing policy, financial data, purchasing channel, etc.

Article 11. The indication of “the time of employment” as mentioned herein is the salary that Party B receives from Party A and the time of employment is the time of employment represented by the salary. The time of employment includes overtime beyond normal work hours, regardless if the overtime work is done in Party A’s premises.

The “termination of employment” as mentioned herein shall mean the time either party explicitly expresses the intention to terminate the employment relation or resign. If Party B has refused to receive his/her salary and stopped performing his/her duties, Party B is deemed to have resigned from his/her position. If Party A has refused to pay Party B’s salary in part or in whole without a proper reason, by such action Party A is deemed to have terminated Party B’s employment.

Article 12. If any dispute arising from these Clauses cannot be solved through negotiations, either party has the right to initiate a lawsuit. Both parties agree that a People’s Court in Party A’s domicile which satisfies the requirements for the correct level of jurisdiction shall be the first competent trial court. The foregoing agreement does not affect Party A’s right to request an administrative decision on an infringement of right by an intellectual property authority.

Article 13. If Party B is in violation of any of the “Confidentiality Clauses,” he/she shall pay a one-time penalty that is equal to his/her 12 months’ salary; regardless the payment of the penalty, Party A has the right to terminate its employment relation with Party B without prior notice. If Party B’s violation has caused Party A to suffer losses, Party B should compensate Party A for its losses. The penalty cannot be used in lieu of the compensation for such losses.

Article 14. As an appendix to the Employment Contract, these “Confidentiality Clauses” shall become effective on the day the Employment Contract is signed and seals are affixed.

Article 15. If these “Confidentiality Clauses” are in conflict with any prior verbal or written agreements, these “Confidentiality Clauses” shall prevail. The amendment to these “Confidentiality Clauses” shall be made in a written form agreed on by the two parties.

Article 16. The two parties acknowledge that before the relevant Employment Contract is executed, they have carefully reviewed the content of these “Confidentiality Clauses” and understand the legal implications of each of these “Confidentiality Clauses.”

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT, dated as of _____, 2010 (this "Agreement"),

BETWEEN:

(1) SouFun Holdings Limited, a company organized under the laws of the Cayman Islands (the "Company"); and

(2) _____ (the "Indemnitee").

WHEREAS, the Company wishes for the Indemnitee to serve on its Board of Directors (the "Board") or as an officer of the Company and wishes to provide the Indemnitee with specific contractual assurance of the Indemnitee's rights to indemnification against litigation risks and expenses arising from his position as a Director or Officer (as defined below) to the full extent permitted by applicable law;

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve as Directors or Officers of the Company, the Board has determined, that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its shareholders; and

WHEREAS, the Indemnitee is relying upon the rights afforded under this Agreement in serving as a Director or Officer.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein, the Company and Indemnitee do hereby agree as follows:

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Business Day"	means any day, except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the People's Republic of China, Hong Kong or the Commonwealth of Australia are generally authorized or required by law or governmental action to close.

"Corporate Status"	means the status of a person who is or was a director, officer, employee, agent, or fiduciary of the Company or any other Group Company, or is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of any other company, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other entity or enterprise.
"Director"	means a member of the Board.
"Disinterested Director"	means a Director of the Company who is not or was not a party to a Proceeding in respect of which indemnification is sought by Indemnitee.
"Disinterested Shareholder"	means a Shareholder of the Company who is not or was not a party to a proceeding in respect of which indemnification is sought by the Indemnitee.
"Expenses"	means all fees, costs and expenses incurred in connection with any Proceeding (as defined below), including, without limitation, reasonable attorneys' fees, disbursements and retainers (including, without limitation, any such fees, disbursements and retainers incurred by the Indemnitee pursuant to clause 6 of this Agreement), fees and disbursements of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), court costs, transcript costs, fees of experts, travel expenses, duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services and other disbursements and expenses.
"Group Companies"	means the Company and each subsidiary of the Company (wherever incorporated or organized).
"Independent Counsel"	means a law firm, or a member of a law firm, who is experienced in matters of corporation law and neither is presently, nor in the past five years has been, retained to represent: (i) the Company or the Indemnitee in any matter material to either such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of

	interest in representing either the Company or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.
"Officer"	means an officer of the Company.
"Parties"	means the parties to this Agreement, together, and "Party" means any one of them.
"Proceeding"	means any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, appeal or any other proceeding whether civil, criminal, administrative, arbitrative or investigative, and whether formal or informal, including any proceeding initiated by Indemnitee pursuant to clause 6 of this Agreement to enforce the Indemnitee's rights hereunder.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 references to statutory provisions shall be construed as references to those provisions as amended or re-enacted, or as their application is modified by other provisions from time to time, and shall include references to any provisions of which they are re-enactments (whether with or without modification);

1.2.2 references to clauses are references to clauses hereof; references to sub-clauses are, unless otherwise stated, references to sub-clauses of the clause in which the reference appears;

1.2.3 references to the singular shall include the plural and vice versa, and references to the masculine shall include the feminine and/or neuter and vice versa; and

1.2.4 references to "persons" shall include companies, partnerships, associations and bodies of persons, whether incorporated or unincorporated.

2. AGREEMENT TO SERVE

In consideration of the Company's covenants and commitments hereunder, Indemnitee agrees to serve as a Director or Officer of the Company (as applicable). This Agreement does not create or otherwise establish any right or obligation on the part of Indemnitee to be, or to continue to be elected or appointed, a Director or Officer of the Company or any other Group Company, and does not create an employment contract between the Company and Indemnitee.

3. INDEMNITY OF DIRECTOR/OFFICER

3.1 Subject to clause 10, the Company shall indemnify Indemnitee if Indemnitee was or is a party, or is threatened to be made a party, to any Proceeding, including a Proceeding brought by or in the right of the Company, by reason of Indemnitee's Corporate Status or by reason of anything done or not done by Indemnitee in such capacity. Subject to clause 10, pursuant to this sub-clause 3.1, Indemnitee shall be indemnified against: (i) all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf; and (ii) all liabilities, judgments, penalties, fines and amounts paid in settlement, in each case in connection with such Proceeding (including, but not limited to, the investigation, defense, settlement or appeal thereof).

3.2 Notwithstanding any other provision of this Agreement other than clause 10, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in defending any Proceedings referred to in clause 3.1 in which judgment is given in his favor or in which he is acquitted.

3.3 Subject to clause 10, the Company shall indemnify Indemnitee for such portion of the Expenses, witness fees, liabilities, damages, judgments, fines and amounts paid in settlement, and any other amounts that Indemnitee becomes legally obligated to pay in connection with any Proceeding referred to in clause 3.1, in respect of which Indemnitee is entitled to indemnification hereunder, even if Indemnitee is not entitled to indemnification hereunder for the total amount thereof.

4. INDEMNIFICATION FOR EXPENSES OF A WITNESS

Subject to clause 10, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding, Indemnitee shall be indemnified by the Company against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

5. DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

5.1 The Indemnitee shall request indemnification pursuant to this Agreement by notice in writing to the secretary of the Company. The secretary shall, promptly upon receipt of Indemnitee's request for indemnification, advise in writing the Board or such other person or persons empowered to make the determination as provided in sub-clause 5.2 that Indemnitee has made such request for indemnification. Subject to clause 10, upon making such request for indemnification, Indemnitee shall be presumed to be entitled to indemnification hereunder, and the Company shall have the burden of proof in the making of any determination contrary to such presumption.

5.2 Upon written request by Indemnitee for indemnification pursuant to sub-clause 3.1, the entitlement of the Indemnitee to indemnification pursuant to the terms of this Agreement shall be determined by the following person or persons, who shall be empowered to make such determination:

5.2.1 the Board, by a majority vote of the Disinterested Directors; or

5.2.2 if such vote is not obtainable or, even if obtainable, if such Disinterested Directors so direct by majority vote, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or

5.2.3 by a majority vote of Disinterested Shareholders.

5.3 For purposes of sub-clause 5.2, Independent Counsel shall be selected by the Board and approved by Indemnitee. Upon failure of the Board to so select such Independent Counsel, or upon failure of Indemnitee to so approve, such Independent Counsel shall be selected by a single arbitrator pursuant to the rules of the International Court of Arbitration of the International Chamber of Commerce. Such determination of entitlement to indemnification shall be made not later than twenty days after receipt by the Company of a written request for indemnification. Such request shall include the documentation and information that is necessary for such determination, and which is reasonably available to Indemnitee. Subject to clause 10, any Expenses incurred by Indemnitee in connection with Indemnitee's request for indemnification hereunder shall be borne by the Company, irrespective of the outcome of the determination of Indemnitee's entitlement to indemnification. If the person or persons making such determination shall determine that Indemnitee is entitled to indemnification as to a portion (but not all) of the application for indemnification, such persons may reasonably prorate such partial indemnification among such claims, issues or matters in respect of which indemnification is requested.

6. ADVANCEMENT OF EXPENSES

All reasonable Expenses incurred by Indemnitee (including attorneys' fees, retainers and advances of disbursements required of Indemnitee) shall be paid by the Company in advance of the final disposition of any Proceeding at the request of Indemnitee as promptly as possible, and in any event within twenty days after the receipt by the Company of a statement or statements from Indemnitee, requesting such advance or advances from time to time. Expenses for which Indemnitee is entitled to indemnification hereunder include, among others, those incurred in connection with any Proceeding brought by Indemnitee seeking an adjudication or award in arbitration pursuant to this Agreement. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee in connection therewith and shall include or be accompanied by an undertaking by or on behalf of Indemnitee to repay such amount if it is ultimately determined that Indemnitee is not entitled to be indemnified against such Expenses by the Company, pursuant to this Agreement or otherwise. Subject to clause 10, the Company shall have the burden of proof in any determination under this clause 6. No amounts advanced hereunder shall be deemed an extension of credit by the Company to Indemnitee.

7. REMEDIES OF INDEMNITEE IN CASES OF DETERMINATION NOT TO INDEMNIFY OR TO ADVANCE EXPENSES

7.1 In the event that: (a) a determination is made that Indemnitee is not entitled to indemnification hereunder; (b) payment has not been timely made following a determination of entitlement to indemnification pursuant to clause 5; or (c) Expenses are not advanced pursuant to clause 6, Indemnitee shall be entitled to petition any court of competent jurisdiction for a determination of Indemnitee's entitlement to such indemnification or advance.

7.2 Alternatively to sub-clause 7.1, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association, such award to be made within sixty days following the filing of the demand for arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

7.3 A judicial proceeding or arbitration pursuant to this clause 7 shall be made de novo and Indemnitee shall not be prejudiced by reason of a determination otherwise made hereunder (if so made) that Indemnitee is not entitled to indemnification. Subject to clause 10, if a determination is made pursuant to the terms of clause 5 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding or enforceable. If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification hereunder, the Company shall pay all reasonable Expenses (including attorneys' fees and disbursements) actually incurred by Indemnitee in connection with such adjudication or arbitration (including, but not limited to, any appellate proceedings).

8. OTHER RIGHTS TO INDEMNIFICATION

The indemnification and advancement of Expenses (including attorneys' fees) provided by this Agreement shall not be deemed exclusive of any other right to which Indemnitee may now or in the future be entitled under any provision of the Company's articles of association, any agreement, vote of shareholders, the Board or Disinterested Directors, provision of law, or otherwise; provided, however, that: (a) this Agreement supersedes any other agreement that has been entered into by the Company with the Indemnitee which has as its principal purpose the indemnification of Indemnitee; and (b) where the Company may indemnify the Indemnitee pursuant to either this Agreement or the articles of association of the Company, the Company may indemnify the Indemnitee under either this Agreement or the articles of association, but the Indemnitee shall, in no case, be indemnified by the Company in respect of any Expense, liability or cost of any type, in each case for which payment has been actually made to Indemnitee under any insurance policy, indemnity clause, article, by-law or agreement, except in respect of any Expenses in excess of the actual payment made.

9. ATTORNEYS' FEES AND OTHER EXPENSES TO ENFORCE AGREEMENT

In the event that Indemnitee is subject to or intervenes in any Proceeding in which the validity or enforceability of this Agreement is at issue, or seeks an adjudication or award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee, if Indemnitee prevails in whole or in part in such action, shall be entitled to recover from the Company, and shall be indemnified by the Company against, any actual Expenses for attorneys' fees and disbursements reasonably incurred by Indemnitee, provided that in bringing such action, Indemnitee acted in good faith.

10. LIMITATION OF INDEMNIFICATION

Notwithstanding any other terms of this Agreement, nothing herein shall require the Company to indemnify the Indemnitee against any liability arising directly as a result of fraud or dishonesty by the Indemnitee, as determined in a final judgment of a court or arbitral body of competent jurisdiction.

11. LIABILITY INSURANCE

To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

12. DURATION OF AGREEMENT

This Agreement shall apply with respect to Indemnitee's occupation of any of the position(s) described in the definition of "Corporate Status" in sub-clause 1.1 hereof: (i) prior to the date of this Agreement; and (ii) with respect to all periods of such service from and after the date of this Agreement, even if the Indemnitee shall have ceased to occupy such positions(s).

13. NOTICE OF PROCEEDINGS BY INDEMNITEE

13.1 Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding which may be subject to indemnification hereunder; provided, however, that the failure to so notify the Company will not relieve the Company from any liability it may have to Indemnitee, except to the extent that such failure materially prejudices the Company's ability to defend such claim. With respect to any such Proceeding as to which Indemnitee notifies the Company of the commencement thereof:

13.1.1 the Company will be entitled to participate therein at its own expense; and

13.1.2 except as otherwise provided below, to the extent that it may wish, the Company, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee and not subject to indemnification hereunder, unless (a) the employment of counsel by Indemnitee has been authorized by the Company; (b) in the reasonable opinion of counsel to Indemnitee, there is or may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding; or (c) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases, subject to clause 10, the fees and expenses of counsel shall be borne by the Company.

13.2 Neither the Company nor the Indemnitee shall settle any claim without the prior written consent of the other (which shall not be unreasonably withheld).

14. NOTICES

Any notice required to be given hereunder shall be in writing in the English language and shall be served by sending the same by prepaid recorded post, facsimile or by delivering the same by hand to the address of the Party or Parties in question as set out below (or such other address as such Party or Parties shall notify the other Parties of in accordance with this clause). Any notice sent by post as provided in this clause shall be deemed to have been served five Business Days after despatch, and any notice sent by facsimile as provided in this clause shall be deemed to have been served at the time of despatch; and in proving the service of the same, it will be sufficient to prove in the case of a letter that such letter was properly stamped, addressed and placed in the post; and in the case of a facsimile, that such facsimile was duly despatched to a current facsimile number of the addressee.

Company -

Attn:

Fax:

Indemnitee
Name:
Address:
Fax:

15. MISCELLANEOUS

15.1 Notwithstanding any expiration or termination of this Agreement, such expiration or termination shall not operate to affect such of the provisions hereof as are expressed or intended to remain in full force and effect.

15.2 If any of the clauses, conditions, covenants or restrictions of this Agreement or any deed or document emanating from it shall be found to be void but would be valid if some part thereof were deleted or modified, then such clause, condition, covenant or restriction shall apply with such deletion or modification as may be necessary to make it valid and effective so as to give effect as nearly as possible to the intent manifested by such clause, condition, covenant or restriction.

15.3 This Agreement shall be binding upon the Company and its successors and assigns (including any transferee of all or substantially all of its assets and any successor or resulting company by merger, amalgamation or operation of law) and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, estate, devises, executors, administrators or other legal representatives.

15.4. This Agreement constitutes the whole agreement between the Parties relating to its subject matter and supersedes any prior indemnification arrangement between the Company and Indemnitee.

15.5 No provision in this Agreement may be amended unless such amendment is agreed to in writing, signed by the Indemnitee and by a duly authorized officer of the Company. No waiver by either Party of any breach by the other Party of any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Indemnitee or a duly authorized officer of the Company, as the case may be.

15.6 The headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

15.7 This Agreement may be executed in counterparts, each of which, when executed and delivered, shall constitute an original, and all such counterparts together shall constitute one and the same instrument.

15.8 The terms and conditions of this Agreement and the rights of the parties hereunder shall be governed by and construed in all respects in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, intending to be bound hereby, have duly executed this Agreement as of the date first written above.

In witness whereof the common)
seal of THE COMPANY was)
affixed hereto in the presence of)

_____
Name:
Title:

SIGNED by)
THE INDEMNITEE)
in the presence of:)

_____
Name:

Witness: _____
Name:

FORM OF LOAN AGREEMENT
(Summary Translation)

This Agreement is made and entered into by the Parties below on *[specify date]*:

(1) **Lender**:

[specify name of a subsidiary of SouFun Holdings Limited] of *[specify address]*

(2) **Borrowers**:

[specify name of shareholder of a consolidated controlled entity] of *[specify address]*as "**Borrower I**;" and
[specify name of shareholder of a consolidated controlled entity] of *[specify address]*as "**Borrower II**."

The Lender and each Borrower are hereinafter referred to collectively as the "**Parties**" and each as a "**Party**."

WHEREAS:

Borrower I holds a *[specify percentage]*% equity interest in *[specify name of the consolidated controlled entity]* (hereinafter referred to as the "**Company**"), a domestically funded company with limited liability registered in *[specify city]*, China, and qualified as an independent legal person;

Borrower II holds a *[specify percentage]*% equity interest in the Company; and

The Lender, on *[specify date]*, provided a loan of *[specify amount]* in Renminbi to Borrower I, and a loan of *[specify amount]* in Renminbi to Borrower II.

The aforesaid loans are collectively referred to as the "**Loan**."

NOW, THEREFORE, in order to identify the rights and obligations of any Party, the Parties hereof, through friendly negotiations, agree as follows:

1. Loan

1.1 Provision of the Loan

The Borrowers applied to the Lender for the Loan. The Lender agreed to provide the Loan to the Borrowers and disbursed the Loan in full to the Borrowers on *[specify date]*.

1.2 Term of the Loan

The term of the Loan starts from the date on which the Loan was provided until *[specify number]* years thereafter. Should any Borrower not be able to repay the Loan in compliance with Article 1.4 of this Agreement due to the restrictions under applicable laws upon the expiry of the term, the term of the Loan shall be extended automatically until such time when the applicable laws permit the repayment in such mode and the Lender agrees to accept the repayment by the Borrowers in accordance with the mode of payment set forth in Article 1.4 herein.

Except as provided in Article 1.5 herein, the Borrowers may not request to repay the Loan before the due date.

1.3 Use of the Loan

The Borrowers hereby agree and warrant that the Loan shall be used solely as capital contributed to the Company for its business expansion. Without prior written consent of the Lender, the Borrowers shall not make use of the Loan for any other purpose, nor shall the Borrowers transfer, pledge or mortgage their equity interests or other rights and interests in the Company to any third party other than the Lender.

1.4 Repayment of the Loan

Pursuant to applicable PRC laws, the Borrowers shall repay the Loan by means of transferring their respective equity interests in the Company to the Lender or any other person designated by the Lender; and the Borrowers shall have no further obligations after so transferring as aforesaid.

Any profits or gains from the transfer by the Borrowers of their equity interests in the Company shall be paid back to the Lender or the person designated by the Lender in accordance with provisions hereof.

1.5 Advance Repayment of the Loan

During the term of the Loan, as extended pursuant hereunder, the Borrowers shall be liable, jointly and severally, to repay their respective portions of the Loan prior to its due date upon the written request of the Lender if any of the following events occurs:

(1) any Borrower dies or becomes incapacitated, or becomes limited in its capacity for civil conduct;

(2) any Borrower leaves, resigns from, or is suspended or dismissed from, the post at the Lender or the Lender's associated companies;

(3) any Borrower transfers, without the Lender's consent, its equity interest in the Lender or in the Lender's other associated companies held by such Borrower to any third party not contemplated by this Agreement;

(4) any Borrower commits a criminal act or is involved in criminal activities;

(5) any third party not contemplated hereunder raises a claim to any Borrower for over five hundred thousand Renminbi (RMB 500,000); or

(6) in accordance with applicable PRC laws, a foreign entity is able to solely operate a value-added telecommunication business, and the relevant authorities have started to examine and approve application for such businesses.

Pursuant to the applicable PRC laws, the Lender is entitled, but not obliged, to purchase, or designate any other person to purchase, at any time all or part of each Borrower's equity interest in the Company at any price agreed to by all Parties.

2. Transfer of this Agreement

The Borrowers may not transfer any of their rights and/or obligations hereunder to any third party without the prior written consent of the Lender. After notice to the other Party, the Lender may transfer any of its rights and/or obligations hereunder to any third party designated by the Lender.

3. Representations, Warranties and Undertakings of Each Borrower

The Borrowers are PRC citizens with full capacity for civil act, with full and independent legal status, and are legally competent to execute, deliver and perform this Agreement. Each of the Borrowers may sue or be sued in a litigation.

The Borrowers warrant that they shall not, without the Lender's prior written consent, transfer, pledge or mortgage their respective equity interests or other rights and interests in the Company to any third party other than the Lender.

In order to ensure the stability of the value of the equity interests of the Company which form the basis for the Borrowers to repay the Loan, the Borrowers shall ensure standard operations of the Company. The Borrowers undertake to execute an irrevocable shareholders proxy agreement to empower the Lender or any other person designated by the Lender to exercise any and all shareholder rights the Borrowers may exercise in the Company.

4. Confidential Terms

Each Party hereby agrees that it shall endeavor to take reasonable measures to keep confidential the other

Parties' confidential materials and information (hereinafter referred to as "**Confidential Information**") known or acquired by such Party due to the execution and performance of this Agreement. Without the prior written consent of the owner of the aforesaid Confidential Information, no Party shall divulge, grant or transfer to any third party such Confidential Information. Upon the termination of this Agreement, each Party shall, upon request, return to the owner of such Confidential Information, or destroy on its own, any documents, materials, software or other sources carrying such Confidential Information, delete any such Confidential Information from any relevant memory device and shall not continue to use such Confidential Information.

The Parties hereby agree that this article shall remain valid regardless of amendment, cancellation or termination of this Agreement.

5. Indemnification

Each Party shall indemnify the other Parties for, and hold the other Parties harmless against, any loss, damage, obligation and expense resulting from any litigation, claim or other request to the other Parties which occurs or arises out of such Party's performance of its obligations under this Agreement and any commercial contract.

6. Effectiveness

This Agreement shall become effective upon its execution by the authorized representatives of all Parties hereto.

7. Governing Law and Dispute Resolution

The PRC law shall govern the execution, validity, interpretation, amendment, termination and resolution of disputes arising out of this Agreement. The PRC law referred to herein does not include the laws of Taiwan, the Hong Kong Special Administration Region or the Macau Special Administration Region.

Any dispute arising from or related to this Agreement shall be settled first through friendly negotiations. If such dispute cannot be settled within thirty (30) days after the start of negotiations, it shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration and be arbitrated in Beijing, China in accordance with its arbitration rules when such arbitration application was submitted. The arbitral award shall be final and binding upon all Parties. Unless otherwise decided by the arbitration commission, arbitration fees and other expenses in relation to such arbitration shall be borne by the losing Party.

8. Force Majeure

"Force majeure" means any unforeseeable circumstance which is beyond the control of a Party, or any unavoidable event, even if foreseeable, as a result of which such Party is unable to perform its obligations, in whole or in part, under this Agreement. Such circumstances include, but are not limited to, any strike, factory closure, explosion, maritime peril, natural disaster, act by a public enemy, fire, flood, accident, war, riot, insurgence or any other similar event.

Should the affected Party be prevented from performing its obligations hereunder due to any force majeure event, the aforesaid obligations shall be suspended during the continuation of such force majeure event, and the time for performing such obligations shall be extended automatically until the force majeure event ends. The affected Party shall not be liable for its non-performance during the force majeure event.

Any Party encountering a force majeure event shall forthwith notify the other Parties in writing and supply proper evidence of the inception of the force majeure event and its continuing period. Such Party shall make every reasonable endeavor to mitigate the damages of such event of force majeure.

If a force majeure event occurs, the Parties shall forthwith negotiate a fair solution, and shall make any and all reasonable efforts to minimize the effects of any event of force majeure.

If the force majeure event lasts over ninety (90) days and the Parties do not reach any agreement on a just

solution, any of the Parties shall be entitled to terminate this Agreement. In case of termination of this Agreement pursuant to the aforesaid provision, none of the Parties shall have any rights or obligations subsequent thereto, but the rights and obligations of each Party arising hereunder before such termination shall not be affected.

9. Miscellaneous

9.1 Notice

Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7th) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3rd) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Lender: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Borrower I: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Borrower II: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

9.2 Non-implied Waiver

The failure of one Party to exercise its rights to investigate the breach of any other Party under a special circumstance shall not be deemed as a waiver of such rights in other similar cases.

9.3 Severability

If any provision or portion of this Agreement is determined to be invalid, illegal, or unenforceable, or in conflict with public interests under any applicable PRC laws, the validity, legality and enforceability of the remaining provisions hereunder shall not in any way be affected or impaired. All Parties shall negotiate sincerely to reach an agreement to replace the invalid provision with a provision satisfactory to all Parties.

9.4 Copies

This Agreement is made in Chinese. This Agreement and its amendment or any other agreements (or documents) submitted based upon this Agreement can be executed in one or more counterparts. Any Party may sign one copy and send such copy by facsimile transmission to the other Parties, but shall forthwith send the original one. All signed documents shall constitute one and the same agreement (or documents), which

shall become effective after all Parties sign one or more documents and send them to the other Parties (unless otherwise provided in the original of such documents).

9.5 Amendment

This Agreement can be amended only upon execution of a written document by all Parties.

Lender: (seal)

Legal representative or authorized agent
(signature and seal)

Date of Execution: *[specify]*

Borrower I: (signature and seal)

Date of Execution: *[specify]*

Borrower II: (signature and seal)

Date of Execution: *[specify]*

FORM OF EQUITY PLEDGE AGREEMENT
(Summary Translation)

This Equity Pledge Agreement (this "**Agreement**") is made and entered into by the parties below on *[specify date]* in *[specify city]*, People's Republic of China ("**China**"):

Pledgee:

[specify name of a subsidiary of SouFun Holdings Limited] of *[specify address]*

Pledgor I: *[specify name of shareholder of a consolidated controlled entity]* of *[specify address]*

Pledgor II: *[specify name of shareholder of the consolidated controlled entity]* of *[specify address]*

Pledgor I and Pledgor II are hereinafter referred to as the "**Pledgor(s)**," and the Pledgee and the Pledgors, collectively, the "**Parties**."

Whereas:

Each Pledgor is a PRC citizen holding equity interests of *[specify percentage]*% and *[specify percentage]*%, respectively, in *[specify name of the consolidated controlled entity]* (the "**Company**").

The Company is a company registered in *[specified city]*, China, engaging in *[specify government approved business scope]*.

The Pledgee is a wholly foreign owned enterprise registered in *[specify city]*, China, licensed by relevant government departments to lawfully engage in the business of *[specify government approved business scope]*.

The Pledgee and the Company have entered into the Service Agreement as defined in Article 1 on *[specify date]*.

In order to ensure that the Pledgee can collect consulting and services fees pursuant to the Service Agreement from the Company, the Pledgors hereby pledge all of their Equity Interests as defined in Article 1 in the Company to the Pledgee as a guarantee for the payment of the consulting and services fees under the Service Agreement.

NOW, THEREFORE, the Pledgors and the Pledgee, through negotiations on the principle of equality, agree as follows:

1. Definition

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

1.1 **Right of Pledge**: as specified in Article 2 of this Agreement.

1.2 **Equity Interests**: 100% of the equity interests held by the Pledgors in the Company.

1.3 **Term of Pledge**: the term specified in Article 3 hereunder.

1.4 **Service Agreement**: the Exclusive Technical Consultancy and Services Agreement entered into by the Company and the Pledgee on *[specify date]*.

1.5 **Breach of Agreement**: any circumstance specified in Article 6.1 hereunder.

1.6 **Notice of Breach**: a notice sent by the Pledgee under this Agreement declaring a Breach of Agreement.

Terms not specifically defined hereunder shall have the same meaning as the corresponding terms contained in the Service Agreement.

2. Pledge and Right of Pledge

2.1 The Pledgors pledge all their Equity Interests in the Company to the Pledgee. The Right of Pledge means the priority right enjoyed by the Pledgee to claim the consulting and services fees, which the Pledgee is entitled to under the Service Agreement from funds obtained through conversion, auction or sale of the Equity Interests that the Pledgors pledge to the Pledgee.

3. Term of Pledge

3.1 This Agreement shall come into force upon the date when the pledge of Equity Interests hereunder is recorded in the register of shareholders of the Company, and such pledge shall remain valid for two (2) years after the expiry of the Service Agreement.

3.2 During the Term of Pledge, the Pledgee is entitled to exercise its Right of Pledge should the Company not disburse part or all of the consulting and services fees under the Service Agreement.

4. Custody of the Certificate for Pledge

4.1 During the term of this Agreement, the Pledgee shall keep in custody the investment certificates of the Equity Interests in the Company and the register of shareholders of the Company in which the pledge of the Equity Interests hereunder is recorded. Within one (1) week of the execution of this Agreement, the Pledgors shall deliver these aforesaid documents to the Pledgee.

4.2 The Pledgee is entitled to collect dividends arising out of the Equity Interests.

5. Representations and Warranties of the Pledgors

5.1 The Pledgors are PRC citizens with full capacity for civil act, with full and independent legal status, and are legally competent to sign, deliver and perform this Agreement. Each of the Pledgors can sue or be sued in a litigation.

5.2 The Pledgors are the lawful owners of the Equity Interests.

5.3 The Pledgors can sign this Agreement without the consent of any third party.

5.4 When exercising its Right of Pledge under this Agreement, the Pledgee shall not be interfered by any other party.

5.5 Except for the Right of Pledge, there are no other liens, pledges, mortgages, claims or other guarantee rights, or restrictions imposed by or belonging to any third party, in the Equity Interests.

5.6 Without the prior written consent of the Pledgee, the Pledgors shall not transfer the Equity Interests, nor shall they establish or permit to be established any liens, pledges, mortgages, claims or other

guarantee rights, or restrictions in favor of any third party, that may affect the rights and interests of the Pledgee.

5.7 The Pledgors shall observe and comply with any and all provisions of laws and regulations concerning the pledge. Within five (5) days after receiving any notice or decree issued or provided by relevant authorities, the Pledgors shall present such notice or decree to the Pledgee, and issue opinion on the aforesaid matters upon the reasonable request of the Pledgee.

5.8 The Pledgors shall promptly notify the Pledgee of any event or circumstance that may affect the Equity Interests pledged, change any of the Pledgors' warranties and obligations, or affect the performance of the Pledgors' obligations hereunder.

5.9 The Pledgors hereby agree that the Right of Pledge to be exercised by the Pledgee shall not be disrupted or impaired by the Pledgors, the Pledgors' successors, or trustees, or any other person.

5.10 Each of the Pledgors has full power to sign, deliver and perform this Agreement. This Agreement shall be signed and delivered by the Pledgors legally and properly. This Agreement shall be binding upon the Pledgors and may be enforced against the Pledgors in accordance with the terms and conditions hereunder.

5.11 The Pledgors shall complete the procedures for registration and filing with the relevant government departments, including but not limited to the State Administration of Industry and Commerce in China.

5.12 In the interests of the Pledgee, the Pledgors shall observe and perform all of the aforesaid warranties, undertakings, agreements, representations and conditions. Should any of the Pledgors not perform or fully perform such warranties, undertakings, agreements, representations and conditions, it shall be liable for damages to the Pledgee for any loss suffered by the Pledgee arising therefrom.

6. Breach of Agreement

6.1 Any of the following events shall be deemed a Breach of Agreement:

6.1.1 The Company fails to promptly disburse the total consulting and services fees under the Service Agreement.

6.1.2 Any of the representations and warranties contained in Article 5 are materially misleading or false, and/or the Pledgors breach any of the representations and warranties contained in Article 5.

6.1.3 The Pledgors breach any of the terms and conditions of this Agreement.

6.1.4 Unless otherwise agreed under Article 5.6, the Pledgors forfeit the Equity Interests pledged or transfer such Equity Interests without the written consent of the Pledgee.

6.1.5 Any loan, guaranty, indemnification, undertaking or other responsibility that the Company owes to any third party (1) is requested to be repaid or performed in advance due to breach of contract by the Company; or (2) is due but not repaid or performed by the Company such that the Pledgee believes that the capacity of the Company to perform its obligations has been affected thereby.

6.1.6 The Pledgors fail to repay any of their own debts.

6.1.7 This Agreement becomes illegal due to the publication of relevant laws or the Pledgors fail to continue performing their obligations hereunder.

6.1.8 Any consent, approval or authorization by government organizations required to render this Agreement enforceable, legal, or valid is rescinded, terminated, invalidated or materially amended.

6.1.9 Properties owned by the Pledgors have suffered an adverse change such that the Pledgee believes that the capacity of the Pledgors to perform their obligations has been adversely affected thereby.

6.1.10 The successor or custodian of the Company performs only part of, or refuses to perform, the payment obligations under the Service Agreement.

6.1.11 The Pledgee is unable to exercise its Right of Pledge under the relevant laws.

6.2 The Pledgors shall notify the Pledgee in writing if the Pledgors become aware of, or find out about, the occurrence of any of the events or circumstances specified in Article 6.1 or occurrences that may lead to the aforesaid events or circumstances.

6.3 Unless the events or circumstances specified in Articles 6.1 under this Agreement have been settled to the Pledgee's satisfaction, the Pledgee may send a Notice of Breach in writing to the Pledgors at any time during or after a Breach of Agreement by the Pledgors, requesting the Pledgors to forthwith pay any and all debts under the Service Agreement and other debts due, or it may exercise its Right of Pledge in accordance with the provisions contained in Article 7 hereunder.

7. Exercise of Right of Pledge

7.1 Before repaying in full the consulting and services fees under the Service Agreement, the Pledgors shall not transfer the Equity Interests pledged without the written consent of the Pledgee.

7.2 The Pledgee shall send a Notice of Breach to the Pledgors when the Pledgee exercises its Right of Pledge.

7.3 The Pledgee can exercise its Right of Pledge when it sends a Notice of Breach or at any time after sending such Notice in accordance with the provisions contained in Article 6.3.

7.4 The Pledgee has priority in receiving repayment from funds obtained through conversion, auction or sale of part or all of the Equity Interests under this Agreement pursuant to legal procedures, until the consulting and services fees remaining unpaid under the Service Agreement and all other payments due have been paid off.

7.5 When the Pledgee exercises its Right of Pledge under this Agreement, the Pledgors shall not obstruct such exercise in any way and shall instead render any necessary assistance so that the Pledgee can realize its Right of Pledge.

8. Transfer

8.1 Unless previously consented to in writing by the Pledgee, none of the Pledgors shall have any right to donate or transfer the rights and obligations under this Agreement.

8.2 This Agreement shall be binding upon the Pledgors, the Pledgors' successors and transferees of the Equity Interests pledged with the consent of the Pledgee, and shall remain a valid obligation on the Pledgee and any of its successors and transferees.

8.3 The Pledgee can transfer, at any time, any and all rights and obligations under the Service Agreement to any person designated by the Pledgee. Under such circumstances, the transferee shall have the same rights and obligations of the Pledgee under this Agreement as if it were a Party hereto. The Pledgors shall sign any relevant agreements and/or documents effecting such transfer upon the request of the Pledgee when the Pledgee transfers the aforesaid rights and obligations.

8.4 If the identity of the Pledgee or Pledgors changes due to the aforesaid transfer of the rights and obligations herein, the new parties involved in the pledge shall sign a new pledge agreement.

9. Termination

9.1 When the consulting and services fees under the Service Agreement are fully repaid and the Company has performed all other obligations under the Service Agreement, this Agreement shall be terminated.

10. Expenses

10.1 Any and all expenses relating to this Agreement, to the extent reasonable, including but not limited to the legal fees, production costs, stamp duties and any other taxes and expenses, shall be borne by the Pledgors. Should the Pledgee pay any such expenses or taxes, the Pledgors shall fully reimburse the Pledgee for the aforesaid expenses or taxes paid by the Pledgee.

10.2 The Pledgee may take any measure to claim from the Pledgors any such expenses or taxes arising under this Agreement or such other expenses or taxes that the Pledgors agreed to pay but have not yet paid. Any and all expenses (including but not limited to taxes and expenditures, handling charges, overhead expenses, legal costs, attorney's fees and insurance premiums) arising out of the aforesaid claims shall be borne by the Pledgors.

11. Force Majeure

11.1 "Force majeure" means any unforeseeable circumstance which is beyond the control of a Party, or any unavoidable event, even if foreseeable, as a result of which such Party is unable to perform its obligations, in whole or in part, under this Agreement. Such circumstances include, but are not limited to, any strike, factory closure, explosion, maritime peril, natural disaster, act by a public enemy, fire, flood, accident, war, riot, insurgence or any other similar event.

11.2 Should the affected Party be prevented from performing its obligations hereunder due to any force majeure event, the aforesaid obligations shall be suspended during the continuation of such force majeure event, and the time for performing such obligations shall be extended automatically until the force majeure event ends. The affected Party shall not be liable for its non-performance during the force majeure event.

11.3 Any Party encountering a force majeure event shall forthwith notify the other Parties in writing and supply proper evidence of the inception of the force majeure event and its continuing period. Such Party shall make every reasonable endeavor to mitigate the damages of such event of force majeure.

11.4 If a force majeure event occurs, the Parties shall forthwith negotiate a fair solution, and shall make any and all reasonable efforts to minimize the effects of any event of force majeure.

11.5 If the force majeure event lasts over ninety (90) days and the Parties do not reach any agreement on a just solution, any of the Parties shall be entitled to terminate this Agreement. In case of termination of this Agreement pursuant to the aforesaid provision, none of the Parties shall have any rights or obligations subsequent thereto, but the rights and obligations of each Party arising hereunder before such termination shall not be affected.

12. Dispute Resolution

12.1 The PRC law shall govern the execution, validity, interpretation, amendment, termination and resolution of disputes arising out of this Agreement. The PRC law referred to herein does not include the laws of Taiwan, the Hong Kong Special Administration Region or the Macau Special Administration Region.

12.2 Any dispute arising from or related to this Agreement shall be settled first through friendly negotiations. If such dispute cannot be settled within thirty (30) days after the start of negotiations, it shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration and be arbitrated in Beijing, China in accordance with its arbitration rules when such arbitration application was submitted. The arbitral award shall be final and binding upon all Parties. Unless otherwise decided by the arbitration commission, arbitration fees and other expenses in relation to such arbitration shall be borne by the losing Party.

13. Notice

13.1 Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7^{th}) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3^{rd}) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Pledgee: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Pledgor I: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Pledgor II: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

14. Schedule

14.1 The schedules contained herein constitute an integral part of this Agreement.

15. Effectiveness

15.1 This Agreement and any amendment, supplement or modification hereto shall be made in writing and come into force upon execution and seal of the Parties.

15.2 This Agreement is made in Chinese with *[specify number]* copies.

Pledgor I: (signature and seal)

Date of Execution: *[specify]*

Pledgee: (seal)

Legal representative or authorized agent
(signature and seal)

Date of Execution: *[specify]*

Pledgor II: (signature and seal)

Date of Execution: *[specify]*

Schedules:

1. Register of Shareholders of the Company
2. Certificate of Capital Contribution of the Company
3. Exclusive Technical Consultancy and Services Agreement

FORM OF SHAREHOLDERS' PROXY AGREEMENT
(Summary Translation)

This Agreement is made and entered into by the Parties below on *[specify date]* in *[specify city]*, People's Republic of China.

1. *[specify name of a subsidiary of SouFun Holdings Limited]* of *[specify address]* (the "**Subsidiary Company**");

2. *[specify name of a consolidated controlled entity]* of *[specify address]* (the "**VIE Company**");

3. *[specify name of shareholder of the VIE Company]* of *[specify address]*; and

4. *[specify name of shareholder of the VIE Company]* of *[specify address]*.

The above 3 and 4 are hereinafter collectively referred to as the "**Shareholders**" and the Subsidiary Company, the VIE Company and the Shareholders are hereinafter collectively referred to as the "**Parties**."

WHEREAS

1. The Shareholders are all the current shareholders of the VIE Company, holding all the equity interests in the VIE Company; and

2. Each of the Shareholders intends to appoint the Subsidiary Company to act as its proxy to exercise its voting rights in the VIE Company, and the Subsidiary Company intends to accept such appointment.

The Parties through friendly negotiations hereby agree as follows:

Article 1. Proxy

1.1 The Shareholders hereby irrevocably appoint the Subsidiary Company, to act as proxy for the Shareholders to exercise their respective rights described below (the "**Proxy Rights**") which the Shareholders are entitled to as shareholders of the VIE Company under the Articles of Association of the VIE Company:

(1) to represent the Shareholders to attend meetings of shareholders ("**Shareholders Meetings**") of the VIE Company;

(2) to represent the Shareholders to vote on all matters to be discussed and resolved by the Shareholders;

(3) to propose to convene interim Shareholders Meetings;

(4) other shareholders' voting rights under the Articles of Association of the VIE Company (including any other shareholders' voting rights provided in the amendments to such Articles of Association, if any).

1.2 The Shareholders shall recognize any legal consequence arising out of exercising the aforesaid Proxy Rights by the Subsidiary Company and shall bear corresponding responsibilities therefor.

1.3 The Shareholders hereby confirm that the Subsidiary Company can exercise the aforesaid Proxy Rights without seeking the opinions of the Shareholders. The Subsidiary Company shall notify the Shareholders in a timely manner of any resolution, or any proposal to hold interim Shareholders Meetings, after such resolution or proposal is made.

Article 2. Rights to Know

2.1 In order to exercise the Proxy Rights hereunder, the Subsidiary Company is entitled to inspect all relevant information about the operations, businesses, customers, finances, employees and the like of the VIE Company, and refer to any relevant materials and documents of the VIE Company and the

VIE Company shall render its full cooperation.

Article 3. Exercise of the Proxy Rights

3.1 The Shareholders shall recognize that the Subsidiary Company may re-appoint, when necessary, specific person(s) in itself, to act as proxy for the Subsidiary Company to exercise any or all of its Proxy Rights within the scope of Article 1 and the Shareholders shall agree to bear all corresponding legal responsibilities.

3.2 The Shareholders shall render full assistance to the Subsidiary Company in exercising its Proxy Rights, including the timely signing of resolutions of the Shareholders Meetings or other relevant legal documents of the VIE Company when necessary (e.g. upon the request of government departments to submit documents for examination and approval, registration and reference).

3.3 If, at any time during the term of this Agreement and for any reason, the Proxy Rights hereunder cannot be granted or exercised (except for breach of this Agreement by the Shareholders or the VIE Company), the Parties shall forthwith seek a substitute similar to this Agreement, and sign, when necessary, a supplemental agreement to amend or modify the terms and conditions herein in order to ensure the continuing performance of this Agreement.

Article 4. Exemption and Compensation

4.1 The Parties hereby confirm that the Subsidiary Company shall not be required to bear any responsibility for, or make any compensation, financially or otherwise, to the other Parties or any third party, with respect to the exercise of the Proxy Rights under this Agreement.

4.2 The Shareholders and the VIE Company hereby agree to indemnify the Subsidiary Company for, and hold it harmless against, all losses suffered or likely to be suffered from exercising the Proxy Rights, including but not limited to any loss resulting from any litigation, collection, arbitration, claim or administrative investigation or punishment by governmental agency brought by any third party. However, losses due to intentional or serious misconduct of the Subsidiary Company shall not be compensated.

Article 5. Representations and Warranties

5.1 The Shareholders hereby respectively and jointly represent and warrant as follows:

5.1.1 Each Party is a PRC citizen with full capacity for civil conduct, and has full and independent legal status and capacity to sign, deliver and perform this Agreement. It can become a party as the subject of litigation independently.

5.1.2 Each Party has full power to sign and deliver this Agreement and all other documents related to the transactions described herein and to be signed by such Party and each Party has full power to complete the transactions described in this Agreement. This Agreement shall be binding upon, and may be enforced against, such Party in accordance with the terms and conditions hereunder.

5.1.3 Each Party is a legal shareholder of the VIE Company at the time this Agreement comes into force. Other than the rights defined under this Agreement, no third-party rights exist in the Proxy Rights. Under this Agreement, the Subsidiary Company may fully and completely exercise such Proxy Rights in accordance with the Articles of Association of the VIE Company then in effect.

5.2 Subsidiary Company and the VIE Company hereby respectively represent and warrant as follows:

5.2.1 Each Party is a company with limited liability duly organized and validly existing under the laws where it is registered, with the qualification of independent legal person and fully independent legal

status, and is legally competent to execute, deliver and undertake this Agreement. It can become a party as the subject of litigation independently.

5.2.2 Each Party has full power and authorization to sign and deliver this Agreement and all other documents related to the transactions described herein and to be signed by such Party; and each Party has full power and authorization to complete the transactions described in this Agreement.

5.3 The VIE Company hereby declares and warrants as follows:

5.3.1 The Shareholders are all the legal shareholders registered in the VIE Company when this Agreement comes into force. Under this Agreement, the Subsidiary Company can fully and completely exercise its Proxy Rights in accordance with the Articles of Association of the VIE Company then in effect.

Article 6. Term of this Agreement

6.1 This Agreement shall come into force upon due execution by the Parties hereof. Unless it is agreed by the Parties to terminate in advance, the term of this Agreement shall be extended indefinitely, provided that any of the Shareholders remains a shareholder of the VIE Company.

6.2 If any of the Shareholders transfers all its equity interest in the VIE Company with prior consent of the Subsidiary Company, such Party shall no longer be a Party herein, but the obligations and undertakings of the other Parties herein shall not be affected.

Article 7. Notice

7.1 Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7th) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3rd) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Subsidiary Company: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

VIE Company: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Shareholder: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Shareholder: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Article 8. Breach and Liabilities

8.1 The Parties hereby agree and confirm that if one Party ("**Breaching Party**") materially breaches any of the agreed terms and conditions under this Agreement, or materially fails to perform any of its obligations herein, such Breaching Party shall be deemed to have breached this Agreement ("**Breach**"), any of the other non-breaching Parties ("**Non-Breaching Parties**") is entitled to request the Breaching Party to redress or take remedial measures within a reasonable time period. If the Breaching Party, within a reasonable time period or within thirty (30) days upon receiving the written notice from any Non-Breaching Party requesting redress, but fails to redress or take remedial measures, then (1) the Subsidiary Company shall be entitled to terminate this Agreement and claim damages from the Breaching Party should the Shareholders or the VIE Company breach this Agreement; (2) the Non-Breaching Parties shall be entitled to claim damages but not be entitled to terminate or abrogate this Agreement or trust herein should the Subsidiary Company breach this Agreement.

8.2 Notwithstanding the other provisions herein, the validity of this Article shall not be affected by the suspension or termination of this Agreement.

Article 9. Miscellaneous

9.1 This Agreement is made in Chinese with *[specify number]* original copies in total, each Party to hold one.

9.2 The Laws of the People's Republic of China shall govern the conclusion, effectiveness, performance, amendment, interpretation and termination of this Agreement.

9.3 Any dispute arising hereof or other relevant disputes shall be settled through negotiations. If such dispute cannot be settled within thirty (30) days after the negotiations start, it shall be submitted to the China International Economic and Trade Arbitration Commission and arbitrated in Beijing in accordance with the arbitration rules of such arbitration commission. The arbitration award shall be accepted as final and binding upon the Parties.

9.4 Any rights, power or remedy of the Parties under any term and conditions herein shall not deprive such Parties of any other rights, power or remedy under the laws and this Agreement. A Party's exercise of its rights, power and remedy shall not affect the exercise of its other rights, powers and remedies.

9.5 One Party's failure to exercise or delay in exercising any of its rights, powers or remedies ("**Rights of Such Party**") under this Agreement or laws shall not lead to the waiver of the Rights of Such Party. Any individual or partial waiver of the Rights of Such Party shall not deprive such Party's rights in exercising in other ways of the Rights of Such Party or exercise other rights of such Party.

9.6 The title of each article is for reference and shall under no circumstance be used for, or affect, the interpretation of the terms and conditions hereunder.

9.7 Any of the terms and conditions hereunder can be severed and independent from the others. If one or more of such terms and conditions shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining terms and conditions hereunder shall not be in any way affected or impaired.

9.8 Any amendment and supplement to this Agreement shall be made in writing, and come into force upon proper signature by the Parties.

9.9 Without the prior written consent of the other Parties, any Party shall not transfer any of its rights and/or obligations hereunder to any third party.

9.10 This Agreement shall be binding upon each Party's legal successors and transferees permitted by the other Parties as if they were a contracting party to this Agreement.

[specify name of Subsidiary Company]

Signed by _____ _____

Name of Authorized Representative: _____ ___

[specify name of VIE Company]

Signed by _____ _____

Name of Authorized Representative: _____ ___

[specify name of Shareholder]

Signed by _____ _____

[specify name of Shareholder]

Signed by _____ _____

FORM OF OPERATING AGREEMENT

(Summary Translation)

This Agreement is made and entered into by the Parties below on *[specify date]* in *[specify city]*, People's Republic of China ("**China**").

Party A: *[specify name of a subsidiary of SouFun Holdings Limited]* of *[specify address]*;

Party B: *[specify name of a consolidated controlled entity]* of *[specify address]*;

Party C: *[specify name of shareholder of Party B]* of *[specify address]*; and

Party D: *[specify name of shareholder of Party B]* of *[specify address]*.

WHEREAS:

1. Party A is a wholly foreign owned enterprise established in China;

2. Party B is a wholly domestically funded company registered in China, with the approval of *[specify city]* Administration of Industry and Commerce to engage in the advertising business;

3. Party A and Party B have established a business relationship through an Exclusive Technical Consultancy and Services Agreement;

4. Pursuant to the Exclusive Technical Consultancy and Services Agreement between Party A and Party B, Party B shall pay Party A certain specified amounts, which have not yet been paid by Party B, while Party B's daily operations have a material effect on the ability of Party B to pay such remuneration to Party A;

5. Party C is a shareholder of Party B, holding *[specify percentage]*% equity interests in Party B;

6. Party D is a shareholder of Party B, holding *[specify percentage]*% equity interests in Party B; and

7. Party A, Party B, Party C and Party D hereby agree to further identify matters in relation to the operation of Party B's business pursuant to this Agreement.

NOW, THEREFORE, the Parties hereof through negotiation agree as follows:

1. When Party B enters into a business contract or agreement with any third party ("**Third Party**") and is in line with the relevant terms and conditions hereunder, Party A hereby agrees that it shall sign, with such Third Party upon its request, a written agreement to be the performance guarantor of Party B by furnishing complete guaranty for Party B's performance under such contract or agreement in order to ensure the normal operation of Party B's business. As counter security, Party B hereby agrees that it shall mortgage to Party A its accounts receivable and all of its assets.

2. In accordance with the provisions of Article 1 and in order to guarantee the performance of all business agreements, including the Exclusive Technical Consultancy and Services Agreement, between Party A and Party B, and the

disbursement of all accounts payable by Party B to Party A under the Exclusive Technical Consultancy and Services Agreement, Party B and its shareholders, Party C and Party D, hereby agree that Party B, without the prior written consent of Party A or its designee, shall not engage in any transaction that may materially affect the assets, obligations, rights and operations of Party B, including but not limited to the following:

2.1 borrowing money or undertaking any obligation from any Third Party;

2.2 selling to or acquiring from any Third Party any assets or rights, including but not limited to any intellectual property rights;

2.3 providing security with the title of its assets or intellectual property rights for the benefit of any Third Party; and

2.4 Transferring rights and obligations herein to any Third Party.

3. In order to guarantee the performance of all business agreements, including the Exclusive Technical Consultancy and Services Agreement, between Party A and Party B, and the payment of all accounts payable by Party B to Party A under the Exclusive Technical Consultancy and Services Agreement, Party B and its shareholders, Party C and Party D, hereby agree to accept company policies and instructions provided by Party A from time to time on the employment and termination of working staff, daily operations and management, and financial management systems and other similar policies.

4. Party B and its shareholders, Party C and Party D, hereby agree that Party B, Party C and Party D shall appoint the persons designated by Party A to be the directors of Party B, and senior management personnel employed by, and as designated by, Party A to be the general manager, chief financial officer and other senior management personnel of Party B. If the aforesaid directors or senior management personnel designated by Party A leave Party A, regardless of whether they resign or are dismissed by Party A, such persons shall lose the qualification of being in charge of any post of Party B. Under such circumstances, Party B, Party C and Party D shall appoint other senior management personnel designated by Party A to assume such posts.

5. Party C and Party D hereby agree that they shall, concurrently with the execution this Agreement, execute a corresponding Shareholders' Proxy Agreement under which Party C and Party D shall authorize and entrust Party A or a person designated by Party A to exercise any and all shareholders' rights of Party C and Party D to vote pursuant to provisions of laws and Party B's Articles of Association.

6. Party B and its shareholders, Party C and Party D, hereby agree and confirm that, apart from the agreed provisions in Article 1 herein, if Party B is in need of any other guaranty for Party B's performance or security for borrowing to finance its working capital, it shall first seek guaranty or security from Party A. Under such circumstances,

Party A is entitled to decide whether to furnish proper guaranty or security for Party B based on Party A's own judgment. If Party A decides not to furnish such guaranty or security for Party B, it shall notify Party B in writing in time, and thereafter, Party B can seek guaranty or security from any Third Party.

7. In case of the termination or expiry of any agreement between Party A and Party B, Party A is entitled, but not obligated, to terminate all other agreements between Party A and Party B, including but not limited to the Exclusive Technical Consultancy and Services Agreement.

8. Amendments and supplements to this Agreement shall be made in writing. Such amendments and supplements properly signed by the Parties shall constitute an integral part of this Agreement with the same validity.

9. This Agreement shall be governed by and interpreted in accordance with the PRC law, excluding, for purposes of this Agreement, the laws of Taiwan, the Hong Kong Special Administration Region or the Macau Special Administration Region.

10. Dispute Settlement

Any dispute arising from the interpretation of or the performance of the terms and conditions hereunder shall be settled through bona fide negotiations. If such dispute cannot be so settled, it may be submitted by any Party to the China International Economic and Trade Arbitration Commission and arbitrated in Beijing, China pursuant to the current arbitration rules. The language for arbitration will be Chinese. The arbitration award shall be accepted as final and binding upon the Parties.

11. Notice

Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7^{th}) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3^{rd}) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Party A: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Party B: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Party C: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Party D: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

12. This Agreement shall come into force upon signature by authorized representatives of the Parties hereof on the date contained at the beginning. This Agreement shall remain valid for ten (10) years unless it is terminated in advance pursuant to the terms and conditions hereunder. Party B, Party C and Party D hereby agree that the term of this Agreement, upon Party A's confirmation before termination, can be extended to a date designated in Party A's written confirmation.

13. This Agreement shall be terminated on the expiry date unless validity of the terms and conditions concerned herein is extended. During the term, Party B, Party C and Party D shall not terminate this Agreement. Notwithstanding the above, Party A can terminate this Agreement at any time by notifying Party B, Party C and Party D in writing thirty (30) days in advance.

14. This Agreement shall be binding upon each Party's successors and transferees permitted under this Agreement in the same effect as if they were contracting parties to this Agreement.

Party A: *[specify]*

Signed by _____

Name of Authorized Representative: _____

Party B: *[specify]*

Signed by _____

Name of Authorized Representative: _____

Party C: *[specify]*

Signed by _____

Party D: *[specify]*

Signed by _____

FORM OF EXCLUSIVE TECHNICAL CONSULTANCY AND SERVICES AGREEMENT

(Summary Translation)

This Exclusive Technical Consultancy and Services Agreement (this "**Agreement**") is made and entered into by the Parties below on *[specify date]* in *[specify city]*, People's Republic of China ("**China**"):

Party A: *[specify name of a subsidiary of SouFun Holdings Limited]* of *[specify address]*.

Party B: *[specify name of a consolidated controlled entity]* of *[specify address]*.

WHEREAS:

(1) Party A is a wholly foreign owned enterprise registered and established on *[specify date]* in *[specify city]* and engages in *[specify business scope in business license]*;

(2) Party B is a domestically funded enterprise registered and established on *[specify date]* in *[specify city]* and, as approved by *[specify city]* Industry and Commerce Administration, is authorized to engage in *[specify business scope in business license]*; and

(3) Party A hereby agrees to provide technical consulting and related services to Party B, and Party B agrees to accept such consulting and related services.

Party A and Party B are hereinafter each referred to as a "**Party**" and, collectively, the "**Parties**."

NOW, THEREFORE, both Parties hereof through negotiations on the principle of equality agree as follows:

1. Technical Consulting and Related Services

1.1 During the term of this Agreement, Party A, as a provider of technical consulting and related services, hereby agrees to provide Party B with the technical consulting and related services specified in Schedule I under the terms and conditions contained herein.

1.2 Party B hereby agrees to accept such technical consulting and related services provided by Party A. Party B further agrees that it shall not, without the prior written consent of Party A, accept the aforesaid technical consulting and related services

provided by any third party not a Party hereto during the term of this Agreement.

2. Exclusive Rights

2.1 Any and all rights, ownership interests and intellectual property rights including but not limited to copyrights, patents, technical know-how and trade secrets, no matter whether developed by Party A, or developed by Party B based on Party A's intellectual property rights or services provided by Party A, shall be the exclusive property of Party A.

3. Fee for Technical Consulting and Related Services

3.1 Party B hereby agrees to calculate and pay the fees for the technical consulting and related services arising hereunder (the "**Consulting and Services Fee**") pursuant to the method specified in Schedule II.

4. Guaranty for the Performance of this Agreement

4.1 In order to guarantee Party B's payment to Party A of the Consulting and Services Fee, *[specify name of shareholder of Party B]* and *[specify name of additional shareholder of Party B]*, as shareholders of Party B, are willing to pledge their equity interests in Party B to Party A and to sign a separate Equity Pledge Agreement with Party A.

5. Effectiveness and Term

5.1 This Agreement shall come into force upon its execution on the date first written above.

5.2 This Agreement shall remain valid for ten (10) years.

5.3 Party B hereby agrees that the term of this agreement shall be extended automatically for another ten (10) years unless Party A sends to Party B a written notice terminating this Agreement within six (6) months prior to the expiry date of this Agreement.

6. Termination

6.1 This Agreement shall terminate on the expiry date unless it is terminated in advance in accordance with Article 6.2 hereunder.

6.2 During the term hereof, Party B may not terminate this Agreement prior to its expiry date unless any act of Party A constitutes a gross negligence, a violation of law,

bankruptcy or a material breach of this Agreement. Party A, however, is entitled to terminate this Agreement at any time provided that it notifies Party B in writing thirty (30) days in advance.

7. Representations and Warranties

7.1 Party A hereby represents and warrants as follows:

7.2.1 Party A is a company duly registered and validly existing under the PRC law.

7.2.2 Party A has taken the necessary corporate actions and any other necessary steps to acquire the authorization to execute and perform this Agreement.

7.2.3 The execution and performance of this Agreement or observance of the terms and provisions hereof by Party A shall not:

a) violate any law, regulation, rule, court order, judgment, finding, ban or mandate of government; or

b) be in conflict with or contradict any term, provision, condition or prescription under any agreement, contract or document of Party B, restrict Party B's actions, or result in a breach of the aforesaid terms, provisions, conditions or prescriptions.

7.2.4 This Agreement, upon its execution, shall be legal, valid and binding upon Party A and shall be enforceable in accordance with the terms and conditions herein.

7.2 Party B hereby represents and warrants as follows:

7.2.1 Party B is a company duly registered and validly existing under the PRC law and is authorized to engage in the advertising business.

7.2.2 Party B has taken the necessary corporate actions and any other necessary steps to acquire the authorization to execute and perform this Agreement.

7.2.3 The execution and performance of this Agreement and the observance of the terms and provisions hereunder by Party B shall not:

a) violate any law, regulation, rule, court order, judgment, finding, ban or mandate of government; or

b) be in conflict with or contradiction to any term, provision, condition or prescription under any agreement, contract or document of Party B or restrict Party B's actions, or result in a breach of the aforesaid terms, provisions, conditions or prescriptions.

7.2.4 This Agreement, upon its execution, shall be legal, valid and binding upon Party B and shall be enforceable in accordance with the terms and conditions herein.

8. Taxation

8.1 All taxes arising out of a Party's performance of this Agreement shall be born by such Party.

9. Confidentiality

9.1 Each Party hereby agrees that it shall make every endeavor and take all reasonable measures to keep confidential the other Party's confidential materials and information ("**Confidential Information**") known or acquired by such Party due to the entry into and performance of this Agreement. Without prior written consent of the owner of the aforesaid Confidential Information, the other Party shall not divulge, grant or transfer to any third party such Confidential Information. Upon the termination of this Agreement, such Party shall return to the owner of such Confidential Information upon its request, or destroy any documents, materials, software or other sources carrying such Confidential Information, delete any such Confidential Information from any memory device and shall cease using such Confidential Information.

9.2 Both Parties hereby agree that this article shall remain valid no matter whether this Agreement is amended, cancelled or terminated.

10. Indemnification

10.1 Each Party shall indemnify the other Party for, and hold the other Party harmless against, any loss, damage, obligation or expense resulting from any litigation, claim or other request to the other Party which occurs or arises out of the other Party's performance of its obligations under this Agreement and any of its business contracts.

11. Governing Laws and Dispute Resolution

12.1 The PRC law shall govern the execution, validity, interpretation, amendment, termination and resolution of disputes arising out of this Agreement. The PRC law referred to herein does not include the laws of Taiwan, the Hong Kong Special Administration Region or the Macau Special Administration Region.

12.2 Any dispute arising from or related to this Agreement shall be settled first through

friendly negotiations. If such dispute cannot be settled within thirty (30) days after the start of negotiations, it shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration and be arbitrated in Beijing, China in accordance with its arbitration rules when such arbitration application was submitted. The arbitral award shall be final and binding upon all Parties. Unless otherwise decided by the arbitration commission, arbitration fees and other expenses in relation to such arbitration shall be borne by the losing Party.

12. Force Majeure

12.1 “Force majeure” means any unforeseeable circumstance which is beyond the control of a Party, or any unavoidable event, even if foreseeable, as a result of which such Party is unable to perform its obligations, in whole or in part, under this Agreement. Such circumstances include, but are not limited to, any strike, factory closure, explosion, maritime peril, natural disaster, act by a public enemy, fire, flood, accident, war, riot, insurgence or any other similar event.

12.2 Should the affected Party be prevented from performing its obligations hereunder due to any force majeure event, the aforesaid obligations shall be suspended during the continuation of such force majeure event, and the time for performing such obligations shall be extended automatically until the force majeure event ends. The affected Party shall not be liable for its non-performance during the force majeure event.

12.3 Any Party encountering a force majeure event shall forthwith notify the other Parties in writing and supply proper evidence of the inception of the force majeure event and its continuing period. Such Party shall make every reasonable endeavor to mitigate the damages of such event of force majeure.

12.4 If a force majeure event occurs, the Parties shall forthwith negotiate a fair solution, and shall make any and all reasonable efforts to minimize the effects of any event of force majeure.

12.5 If the force majeure event lasts over ninety (90) days and the Parties do not reach any agreement on a just solution, any of the Parties shall be entitled to terminate this Agreement. In case of termination of this Agreement pursuant to the aforesaid provision, none of the Parties shall have any rights or obligations subsequent thereto, but the rights and obligations of each Party arising hereunder before such termination shall not be affected.

13. Miscellaneous Terms

13.1 Notice

Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7th) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3rd) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Party A: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Party B: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

13.2 Non-implied Waiver

The failure of one Party to exercise its rights to investigate the breach of the other Party under a special circumstance shall not be deemed as a waiver of such rights in other similar cases.

13.3 Severability

If any provision or portion of this Agreement is determined to be invalid, illegal, or unenforceable, or in conflict with public interests under any applicable PRC laws, the validity, legality and enforceability of the remaining provisions hereunder shall not in any way be affected or impaired. Both Parties shall negotiate sincerely to reach an agreement to replace the

invalid provision with a provision satisfactory to both Parties.

13.4 Non-transfer

Without the prior written consent of the other Party, one Party may not transfer this Agreement or any rights or obligations hereunder.

13.5 Counterparts

This Agreement is made in Chinese. This Agreement and any amendment hereto may be executed in counterparts. Either Party may sign one copy and send such copy by facsimile transmission to the other Party, but shall forthwith send the original one. All signed documents shall constitute one agreement, which shall come into force after both Parties sign one or more documents and send them to the other Party hereof (unless otherwise provided in the original of such documents).

13.6 Amendment

This Agreement can be amended only upon execution of a written document by both Parties.

Party A: *[specify]*

_____

Authorized Representative: *[specify]*

Party B: *[specify]*

_____

Authorized Representative: *[specify]*

Schedule I: Content of Technical Consulting and Related Services

Party A shall provide Party B with the following consulting and related services:

[specify the services]

Schedule II: Mode of Calculation and Payment of the Consulting and Services Fees

1. Fees for consulting and related services to be charged by Party A from Party B shall be calculated as follows:

   (1) According to the time for services provided to Party B by Party A's technical personnel during normal working hours. The fees for services by Party A's employees will be calculated as the sum of the products of each person's rate at their respective level and the number of hours worked; and

   (2) Both Parties hereby agree to negotiate separately about the charging standards of the services not contained in (1) provided by Party A.

   The Consulting and Services Fee to be paid by Party B shall comprise the fees in the foregoing (1) and (2).

2. Party A shall notify Party B, prior to the fifth day of each month, with respect to the Consulting and Services Fees for the prior month, and Party B shall, within two (2) days after receiving such notice, pay the whole amount of the aforesaid Fee to an account designated by Party A.

FORM OF EXCLUSIVE CALL OPTION AGREEMENT
(Summary Translation)

This Exclusive Call Option Agreement (this "**Agreement**") is made and entered into by the Parties below on *[specify date]*.

(1) SouFun Holdings Limited, a company with limited liability duly incorporated and validly existing under the laws of the Cayman Islands with its registered address at Codan Trust Company (Cayman) Limited, Century Yard, Cricket Square, Hutchins Drive, P. O. Box 2681 GT, George Town, Grand Cayman, British West Indies ("**Party A**");

(2) *[specify name of shareholder of a consolidated controlled entity]* of *[specify address]* ("**Party B(I)**");

(3) *[specify name of other shareholder of a consolidated controlled entity]* of *[specify address]* ("**Party B(II)**");

(4) *[specify name of a consolidated controlled entity]*, a company with limited liability duly registered and validly existing under the PRC laws at *[specify address]* ("**Party C**"); and

(5) *[specify name of a subsidiary of Party A]*, a company with limited liability duly registered and validly existing under the PRC laws at *[specify address]* and a wholly owned subsidiary of Party A ("**Party D**").

In this Agreement, Party B(I) and Party B(II) are hereinafter collectively referred to as "**Party B**" and Party A, Party B, Party C and Party D are each referred to as a "**Party**" and collectively, the "**Parties**."

WHEREAS:

1. Party A holds 100% equity interests in Party D;

2. Party B(I) holds *[specify percentage]*% equity interests in Party C;

3. Party B(II) holds *[specify percentage]*% equity interests in Party C;

4. Party B(I), Party B(II) and Party D entered into a loan agreement (the "**Loan Agreement**") on *[specify date]*;

5. Party D and Party C entered into an exclusive technical consultancy and services agreement (the "**Exclusive Technical Consultancy and Services Agreement**") on *[specify date]*; and

6. Party B(I), Party B(II) and Party D entered into an equity pledge agreement (the "**Equity Pledge Agreement**") on *[specify date]*.

NOW, THEREFORE, the Parties through negotiations hereby agree as follows:

1. Transfer of Equity Interest

1.1 Granting of Rights

Party B hereby irrevocably grants Party A or one or more persons designated by Party A (each, a "**Designated Person**") an irrevocable and exclusive right to purchase (the "**Call Option**") from Party B the whole or a part of the equity interest in Party C held by Party B (the "**Target Equity**") exercisable by Party A at its own option and at the price set forth in Article 1.3 herein pursuant to any applicable PRC laws. Unless the prior written consent of Party A and its Designated Person has been obtained, Party B shall not sell, transfer or dispose of the Target Equity in any way to any other person. Party C hereby agrees to Party B's granting to Party A the Call Option.

The reference to “person” in this Section and this Agreement are to a natural person, legal person or non-legal person entity.

1.2 Exercise Procedure

Party A shall exercise its Call Option in accordance with the relevant PRC laws and regulations. When exercising its aforesaid Call Option, Party A shall send to Party B a written notice (a “**Notice of Equity Purchase**”) and such Notice shall contain the following matters: (a) the decision of Party A to exercise the Call Option; (b) the number of shares to be purchased by Party A; and (c) purchase date and transfer date of the equity interests.

1.3 Equity Price

Unless valuation is required by applicable laws, the price for the Target Equity (the “**Equity Price**”) shall be equal to the actual amount of capital injection subscribed by Party B for the Target Equity.

1.4 Transfer of Target Equity

Whenever Party A is to exercise its Call Option:

(a) Party B shall instruct Party C to hold a shareholders meeting in time, and a resolution shall be passed during such meeting that approves Party B’s transfer of its equity interests in Party C to Party A and/or its Designated Person.

(b) Party B shall sign an equity interest transfer agreement with Party A (or its Designated Person, as applicable) in accordance with this Agreement and the Notice of Equity Purchase.

(c) The relevant Parties shall sign all other necessary contracts, agreements or documents, obtain all necessary governmental approval and consent, take all necessary actions to transfer, without attaching any Security Interests, the ownership of the Target Equity to Party A and/or the Designated Person; and cause Party A and/or the Designated Person to become the registered owner of the aforesaid Target Equity. For the purposes of this Section and this Agreement, “Security Interests” include liens, warrants, mortgages, pledges, rights and interests of a third party, any right to purchase, right to procure, right of priority, right to setoff, withholding of ownership, or other security arrangement; provided, however, that the “Security Interests’’ exclude any lien or security interests under this Agreement and the Equity Pledge Agreement.

(d) Before Party A and/or the Designated Person exercise the Call Option, Party B may, with the prior written consent of Party A and/or the Designated Person, transfer to a third party other than Party A and/or the Designated Person the Target Equity, and such third party shall succeed to all obligations, undertakings, representations and warranties of Party B under this Agreement as if is had been a Party hereof.

1.5 Payment

Whereas it is agreed in the Loan Agreement between Party B and Party D that any profits or gains from the transfer of Party B’s equity interest in Party C shall be paid back to Party D or a person designated by Party D as repayment under the Loan Agreement, Party D hereby confirms that it hereby designates Party A to accept such

repayment to be made by Party B in due course. Therefore, when Party A exercises its Call Option, the Equity Price shall be used by Party B to repay Party A for the loan from Party D, and Party A does not need to make any additional payment to Party B for the Equity Price.

2. Undertakings in Relation to Equity Interest

2.1 Party C's Undertakings

Party C hereby undertakes:

(a) Without the prior written consent of Party A or Party D, Party C shall not supplement, amend or otherwise modify any document in any way that relates to the constitution of Party C, increases or reduces its registered capital, or changes the structure of its registered capital in any other way;

(b) Party C shall maintain its corporate existence, operate and deal with its business diligently and effectively in accordance with good financial and commercial standards and practices;

(c) Without the prior written consent of Party A or Party D, Party C shall not, in any way at any time after the execution of this Agreement, sell, transfer, mortgage or dispose of any of its legal rights and interests in relation to its assets, business or income, or allow the existence of any other Security Interests thereon;

(d) Without the prior written consent of Party A or Party D, no debts may be incurred by, or be succeeded to or warranted or allowed to exist in, Party C, except the following debts: (i) debts incurred in the normal or daily business operations, and (ii) debts incurred with prior consent in writing by Party A;

(e) Party C shall continue to operate all of its business normally in order to maintain the value of its assets, and may not perform any act or fail to perform an act that may materially affect its operations and the value of its assets;

(f) Without the prior written consent of Party A or Party D, Party C may not sign any material contract, the value of which is over Renminbi one hundred thousand (RMB 100,000), except for any contract in its normal course of business;

(g) Without the prior written consent of Party A or Party D, Party C may not provide any loan or security/warranty for any other party;

(h) Upon Party A's request, Party C shall provide all materials in relation to its operations and financial condition to Party A;

(i) Party C shall, with Party A's consent, purchase and maintain insurance, the amount and specific coverage of which shall be the same as those taken out by companies in similar businesses with similar properties or assets in the same area;

(j) Without the prior written consent of Party A or Party D, Party C may not consolidate or merge with any party, acquire any party, or invest in any party;

(k) It shall forthwith notify Party A of any litigation, arbitration or administrative proceedings that happened or is to happen in relation to the assets, business and income of Party C;

(l) In order to maintain Party C's ownership of all of its assets, Party C shall sign and deliver all necessary or proper documents, take all necessary or proper actions, lodge all necessary or proper complaints or raise all necessary or proper defenses against all claims;

(m) Without the prior written consent of Party A, Party C may not declare or pay dividends to its of Party C, provided however that, upon Party A's request, Party C shall forthwith distribute all of its distributable profits to its respective shareholders; and

(n) Upon Party A's request, Party C shall appoint the person designated by Party D to take up any directorship at Party C.

2.2 Party B's Undertakings

Party B hereby undertakes:

(a) Without the prior written consent of Party A or Party D, Party B shall not in any way at any time after the signing of this Agreement sell, transfer, mortgage or dispose of any of its legal rights and interests in relation to the equity interests in Party C held by Party B, or allow the existence of any other Security Interests therein, except for the pledge of the equity interests in Party C held by Party B under the Equity Pledge Agreement;

(b) It shall cause the shareholders meetings of Party C not to approve, without the prior written consent of Party A or Party D, any action to sell, transfer, mortgage or dispose of any of its legal rights and interests in relation to any equity interests in Party C, or allow the existence of any other Security Interests therein, except for the pledge of such equity interests in Party C held by Party B under the Equity Pledge Agreement;

(c) It shall cause the shareholders meetings of Party C not to approve, without the prior written consent of Party A or Party D, that Party C is to consolidate or merge with any party, acquire any party, or invest in any party;

(d) It shall forthwith notify Party A of any litigation, arbitration or administrative proceedings that happened or is to happen in relation to the equity interests in Party C held by Party B;

(e) It shall cause the shareholders meetings of Party C to vote for the transfer of the Target Equity under this Agreement;

(f) In order to maintain the ownership of all of the equity interests held by Party B in Party C before transferring such equity interests to Party A, Party B shall sign and deliver all necessary or proper documents, take all necessary or proper actions, and raise all necessary or proper claims or all necessary or proper defenses against all claims;

(g) Upon Party A's request, Party C shall appoint the person designated by Party D to take up any directorship at Party C;

(h) Upon Party A's request, Party B shall unconditionally transfer its equity interests in Party C forthwith to Party A and/or the representative designated by Party A and to disclaim and give up any preemptive or priority right to purchase Party C's equity interests; and

(i) Party B shall strictly comply with provisions in this Agreement and other contracts contemplated hereunder, perform its obligations hereunder and thereunder, and not perform any act or fail to perform an act that may materially affect the validity and enforceability of this Agreement.

3. Representations and Warranties

Party B and Party C hereby, on the signing date of this Agreement and each date of transfer of the Target Equity, jointly and severally represent and warrant to Party A as follows:

(a) Each Party is legally competent and has the right to sign and deliver this Agreement, to sign pursuant to this Agreement any equity transfer agreement (collectively referred to as "**Transfer Agreement**") to transfer the Target Equity, and to perform its obligations hereunder and under any Transfer Agreement. This Agreement and any Transfer Agreement, upon signature, shall be legal, valid and binding upon each Party and may be enforced against each Party in accordance with their terms and conditions;

(b) The execution and delivery of this Agreement or any Transfer Agreement or the performance by each Party of its obligations hereunder or under any Transfer Agreement shall not (i) lead to a violation of any relevant PRC laws, (ii) be in conflict with or contradiction to the articles of association or any other constitutional documents of Party B and Party C, (iii) lead to a violation or breach of any contract or document of which Party B or Party C is a party or by which it is bound, (iv) lead to a violation of any conditions for any license, approval or their validity or (v) lead to the suspension or cancellation of any license or approval, or imposition of additional conditions for such license or approval;

(c) Party B owns all of the equity interests in Party C, and unless permitted in the Equity Pledge Agreement, Party B has no Security Interests in the aforesaid assets;

(d) Party C does not have any other unpaid debts, except for (i) debts incurred in its normal business operations and (ii) debts incurred with Party A's prior consent in writing; and

(e) No litigation, arbitration or administrative proceedings in relation to the equity interests in Party C or Party C's assets are currently on-going, pending, or likely to occur.

4. Effective Date and Term

This Agreement shall come into force upon signature by the Parties and shall remain valid for ten (10) years. It may be extended for an additional ten (10) years at Party A's option.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The PRC law shall govern the execution, validity, interpretation, amendment, termination and resolution of

disputes arising out of this Agreement. The PRC law referred to herein does not include the laws of Taiwan, the Hong Kong Special Administration Region or the Macau Special Administration Region.

5.2 Dispute Resolution

Any dispute arising out of this Agreement or other related disputes shall be settled first through friendly negotiations. If such dispute cannot be so settled within thirty (30) days after one Party sends a written notice to another Party, it may be submitted by either Party to the China International Economic and Trade Arbitration Commission and be arbitrated in Beijing, China in accordance with its arbitration rules. The arbitration award shall be accepted as final and binding upon all Parties.

6. Taxation and Expenses

Each Party shall bear any and all taxation, cost and expenses that occur to such Party for the transfer and registration for the Target Equity and for the preparation and execution of this Agreement and any Transfer Agreement and the performance and completion of the transactions contemplated under this Agreement and any Transfer Agreement.

7. Notice

Any notice or other communication sent by any Party shall be written in Chinese, and sent by mail or facsimile transmission to the addresses of the other Parties set forth below or to other designated addresses previously notified by any such other Party. If any Party changes its address, it shall notify the other Parties of such change in a timely and effective manner. The dates on which such notices are deemed to have been effectively given shall be determined as follows:

(A) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(B) Notices sent by registered airmail (postage prepaid) shall be deemed effectively given on the seventh (7th) day after the date on which they were mailed (as indicated by the postmark);

(C) Notices sent by a courier recognized by the Parties shall be deemed effectively given on the third (3rd) day after they were sent to such courier service agency; and

(D) Notices sent by facsimile transmission shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document.

Party A: SouFun Holdings Limited
Address: Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, KY1-1112 Cayman Islands
Fax: +86-10-8511 1242
Tel: +86-10-8511 1241
Attention: Tianquan Vincent Mo

Party B(I): *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: : *[specify]*

Party B(II): *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*

Party C: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

Party D: *[specify]*
Address: *[specify]*
Fax: *[specify]*
Tel: *[specify]*
Attention: *[specify]*

8. Confidentiality

The Parties hereby acknowledge and confirm that any oral or written materials exchanged between the Parties in relation to this Agreement are confidential materials. Each Party hereby agrees that it shall keep confidential any other Party's confidential materials. Without the prior written consent of such other Party, such Party shall not disclose to any third party such confidential materials, unless in the following cases: (a) such materials are known or to become known by public (not disclosed to public by such Party through its own fault); (b) applicable laws require disclosure of such materials; or (c) such materials are disclosed, in relation to the transactions contemplated in this Agreement, to such Party's legal, financial and other consultants who are subject to similar confidentiality provisions. Any disclosure of such confidential materials by any working staff or institution of any Party shall be deemed as disclosure of confidential materials by such Party, and such Party shall bear responsibilities. This section shall remain valid whether or not this Agreement has terminated due to any reason.

9. Further Warranties

The Parties hereby agree to sign, as soon as possible, all reasonable and necessary documents or documents conducive to the Parties for the purposes of performing this Agreement, and further take all reasonable and necessary actions or actions conducive to the Parties for the purposes of performing this Agreement.

10. Miscellaneous Terms

10.1 Modification, Amendment and Supplement

Any modification, amendment and supplement to this Agreement shall be made upon written consent by the Parties.

10.2 Observance of Laws and Regulations

The Parties shall observe all PRC laws and regulations and confirm that each Party's operations fully comply with such laws and regulations.

10.3 Complete Agreement

Except for the written modification, amendment and supplement to this Agreement after its signing, this Agreement and Schedule I shall constitute the complete Agreement made by the Parties in relation to the aforesaid matters.

10.4 Title

The titles in this Agreement are for convenience only and shall not be used for interpretation, description or other purposes that may affect the meanings of provisions herein.

10.5 Language

This Agreement is made in Chinese in *[specify number]* originals.

10.6 Severability

If any of the terms or conditions hereunder or any portion thereof shall be invalid, illegal, or unenforceable under any applicable PRC laws, the validity, legality and enforceability of the remaining provisions hereunder shall not be in any way affected or impaired. The Parties shall negotiate in good faith to reach an agreement on a provision to replace the invalid. The economic effect resulting from such valid provisions shall be equal to that from the invalid, illegal or unenforceable provisions.

10.7 Successor

This Agreement is binding upon each Party's successors and transferees of equity interest, as if they were the contracting Parties hereof.

10.8 Continuous Validity

Any obligations due or becoming due before the expiry of this Agreement shall continue to be valid after the expiry.

10.9 Non-waiver

The failure of any Party to exercise its rights to investigate the breach of any other Party in any specific case shall not be deemed a waiver of such rights in any other cases alike or not.

Party A: SouFun Holdings Limited

Signed by: *[specify]*

Party B (I): *[specify]*

Signed by: *[specify]*

Party B(II): *[specify]*

Signed by: *[specify]*

Party C: *[specify]*

Signed by: *[specify]*

Party D: *[specify]*

Signed by: *[specify]*

FORM OF AMENDMENT AGREEMENT RELATING TO EXCLUSIVE TECHNICAL CONSULTANCY AND SERVICES AGREEMENT, EXCLUSIVE CALL OPTION AGREEMENT, OPERATING AGREEMENT AND OTHER AGREEMENTS
(Summary Translation)

Party A: *[specify name of subsidiary of SouFun Holdings Limited]* of *[specify address]*

Party B: *[specify name of another subsidiary of SouFun Holdings Limited]* of *[specify address]*

Party C: *[specify name of consolidated controlled entity]* of *[specify address]*

Party D: *[specify name of shareholder of Party C]* of *[specify address]*

Party E: *[specify name of other shareholder of Party C]* of *[specify address]*; and

Party F: SouFun Holdings Limited, a company with limited liability duly incorporated and validly existing under the laws of the Cayman Islands with its registered address at Codan Trust Company (Cayman) Limited, Century Yard, Cricket Square, Hutchins Drive, P. O. Box 2681 GT, George Town, Grand Cayman, British West Indies.

Any party mentioned herein is referred to as a "**party**" and all the parties are collectively referred to as "**all the parties**."

WHEREAS:

All the parties have earlier signed several agreements listed under Appendix 1 hereto (hereinafter referred to as the "**Original Agreements**"), and have in addition reached mutual understandings relating to the interpretation and performance of various arrangements under the Original Agreements. All the parties agree to memorialize such mutual understandings in this agreement (this "**Agreement**") and agree that the effective date of this Agreement shall be retroactive to the earliest effective date of the Original Agreements as of *[specify date]*.

1 All the parties agree the original Annex 2 of the Exclusive Technology Consulting and Services Agreement listed under Appendix 1 shall be deleted in its entirety and be replaced with the contents in Appendix 2 of this Agreement.

2 All the parties agree to add the following to the original Article 5.3 of the Exclusive Technology Consulting and Services Agreement listed under Appendix 1: "Party A shall be entitled to extend the contract period in the above-mentioned manner at its sole discretion, and Party B shall unconditionally agree to such extension by Party A."

3 All the parties agree to amend the Operating Agreement listed under Appendix 1 as follows:

a) Article 3 of the Operating Agreement shall be deleted in its entirety and in its place and stead insert the following: "In order to ensure the performance of the Exclusive Technical Consultancy and Services Agreement and other business agreements between Party A and Party B and the payment of the various payable sums by Party B to Party A in accordance with the Exclusive Technical Consulting and Services Agreement and other business agreements, Party B and its shareholders, Party C and Party D, agree (1) to accept the policies and guidelines on appointment and dismissal of company personnel, on daily operations and administration, on corporate finance management and on such other things as may be provided by Party A from time to time, and (2) that Party B's annual budget shall be subject to review and approval by Party A, including the profit forecast, working capital, pricing strategies and payment policies. Party B's operating costs shall not exceed the annual budget approved by Party A."

b) The following provision shall be added to Article 6 of the Operating Agreement as Paragraph 2 thereof: "Party A hereby agrees to and confirms that it has the obligation to provide Party B

with funding or other financial assistance upon the reasonable request by Party B in the event that Party B suffers serious losses in its business operations. Party A and Party B agree to discuss the specific plan and forms of assistance on the basis of Party B's actual situation at that time."

4 All the parties agree to add the following provision to Article 2.1 of the Exclusive Call Option Agreement listed under Appendix 1 as Article 2.1(o): "Party A has the right to demand, at its sole discretion, that Party C make monetary contributions to Party D as per the time, amount and manner designated by Party A and within the scope permitted by laws and regulations (including but not limited to relevant tax laws and regulations). Party C undertakes that it shall not refuse such requests under any circumstances."

5 All the parties agree to add the following provision to Article 2.2 of the Exclusive Call Option Agreement listed in Appendix 1 as Article 2.2(j): "Upon request by Party A, remit all the profits distributed by Party C to Party A."

6 All the parties agree to add the following to Article 4 of the Exclusive Call Option Agreement listed under Appendix 1: "Party A shall be entitled to extend the contract period in the above-mentioned manner and at its sole discretion, and Party B shall unconditionally agree to such extension by Party A."

7 All the parties agree that Party B shall inherit all the rights, obligations, representations, guarantee and commitment of Party A contained in the agreements listed under Appendix 1 as if it had been the contracting party to such agreements, and that Party A shall cease to be the contracting party to the agreements listed under Appendix 1 and shall no longer have or be liable for any rights, obligations, representations, covenants and commitments in such agreements.

8 All the parties agree that the Equity Pledge Agreement shall be deemed effective retroactively from *[specify date]*.

Party A: *[specify]*

Signed by: *[specify]*

Party B: *[specify]*

Signed by: *[specify]*

Party C: *[specify]*

Signed by: *[specify]*

Party D: *[specify]*

Signed by: *[specify]*

Party E: *[specify]*

Signed by: *[specify]*

Party F: SouFun Holdings Limited

Signed by: *[specify]*

Appendix 1

No.	Name of the Agreement	Parties	Date
1	Operating Agreement	*[specify]*	*[specify]*
2	Exclusive Call Option Agreement	*[specify]*	*[specify]*
3	Exclusive Technical Consultancy and Services Agreement	*[specify]*	*[specify]*
4	Loan Agreement	*[specify]*	*[specify]*
5	Equity Pledge Agreement	*[specify]*	*[specify]*
6	Shareholders' Proxy Agreement	*[specify]*	*[specify]*

Appendix 2

Annex 2: Calculation and Payment Method for Consulting Service Fee

1. The consulting service fee chargeable by Party A to Party B shall be calculated as follows:

(1) Type A Calculated based on the number of pageviews on a monthly basis:

$$\text{Monthly fee} = \text{Standard monthly fee for every 1,000 pageviews} \times \frac{\text{Number of pageviews in that month}}{1{,}000}$$

Standard monthly fee for every 1,000 pageviews = RMB *[specify]* Yuan.

Party B agrees that Party A may, at its sole discretion, calculate the above-mentioned monthly fee based on the formula during the first 10 days of each month on the basis of Party B's actual operations. Party B shall respond to Party A's request from time to time to provide Party A with the relevant information and data, and Party A shall have the right to examine and verify such information and data at any time and from time to time.

(2) Type B Calculated based on the hours of service provided by Party A's technical staff to Party B within their normal working hours.

The fees for services by Party A's employees shall be calculated as the sum of the products of each person's rate at their respective level and the number of hours worked.

Among the 11 VIEs, Beijing Internet, Beijing Advertising, Beijing Technology and Beijing China Index calculate payments pursuant to Type A, and the other 7 consolidated controlled entities calculate payments pursuant to Type B.

(3) Both parties agree to discuss to determine the fee standards for services that fall beyond the scope of services under items (1) and (2) above.

The sum of (1), (2) and (3) above shall constitute the consulting service fee payable by Party B to Party A.

2. Party A shall issue an invoice to Party B for the previous month's consulting service fee before the 5th of every month. Within two (2) days after receiving the invoice, Party B shall pay the full amount of the previous month's consulting service fee to the account as designated by Party A.

3. Where Party A determines that the determination of the consulting service fee hereunder has become unreasonable and should be adjusted, Party B shall agree to negotiate with Party A in good faith within 10 working days after Party A issues the written request for fee adjustment. If Party B fails to respond to the above-mentioned adjustment request within 10 working days, it shall be deemed to have consented to such fee adjustment. Upon request by Party B, Party A shall also agree to discuss with Party B on the service fee adjustment. For the avoidance of doubt, Party A's approval must be obtained for any adjustment in the consulting service fee.

FORM OF INTRA-GROUP MEMORANDUM OF UNDERSTANDING
(Summary Translation)

This Intra-group Memorandum of Understanding (the "**Memorandum**") is made and entered into by the Parties below on *[specify date]* in Beijing:

Party A: *[specify name of subsidiary of SouFun Holdings Limited]* of *[specify address]*

Party B: *[specify name of consolidated controlled entity]* of *[specify address]*

WHEREAS:

(1) Party A is a wholly foreign owned company established in the People's Republic of China ("**China**") on *[specify date]* in *[specify city]*;

(2) Party B is a domestically funded company with limited liability established in China on *[specify date]* in *[specify city]*;

(3) Both Party A and Party B are controlled by SouFun Holdings Limited (together with its subsidiaries and consolidated controlled entities, collectively referred as "**SouFun Group**");

(4) Party B has the capacity and qualification for *[specify scope of business in its business license]* and, as approved by *[specify city]* Administration for Industry and Commerce, may engage in *[specify business]*;

(5) Party A owns resources to provide economic information, computer technology, internet technical development and technical services, and is the technical and other operation support provider for online operations; and

(6) Party A and Party B have entered into an Exclusive Technical Consultancy and Services Agreement between them.

Party A and Party B hereinafter are referred to as the "**Parties**" and each as a "**Party**."

Both Parties understand and acknowledge that, before the execution of the Memorandum, the Parties cooperated with each other within their respective business scopes by relying on certain mutually understood arrangements. This Memorandum documents the existing business cooperation between the Parties and the relevant terms and conditions thereof:

1. For the convenience of customers of SouFun Group, Party B herby agrees and confirms that Party A may enter into agreements for packages of services with such customers and that Party A, within its business scope, may provide technical consultancy and support services required thereunder for online information release and advertisement publish and that Party A shall provide online technical consultancy and support to Party B in accordance with the Exclusive Technical Consultancy and Services Agreement between them.

2. Based on the Exclusive Technical Consultancy and Services Agreement and the agreements for packages of services, Party B, as the *[specify business]* provider, shall provide the advertisement publish and online information release services with its online platform.

3. As Party A shall provide various technical support and consultancy services to the customers and to Party B, both Parties agree that Party B shall be the only window for charge and collection purposes. Party A may, however, issue invoices to external parties. Based upon the internal arrangements, the payments collected shall be allocated according the specific charging conditions and quantity of services provided.

Party A: *[specify]*

Signed by: *[specify]*

Party B: *[specify]*

Signed by: *[specify]*

Exhibit 10.11

No.

Individual Entrusted Loan Agreement

Bank of Communications Co., Ltd.

No.

Individual Entrusted Loan Agreement

Important

Party A and Party B are requested to read the Agreement in full and with care, and in particular, the provisions marked with ▲ ▲. **Party C should be consulted promptly if any doubt arises.**

Borrower (hereinafter referred to as “Party A”): CNED Hengshui Zhongcheng Wanyuan Home Co., Ltd.

Legal representative (Person in Charge): Lin Jincheng

Legal address: Room 1207, 1988 Yongxing West Road, Hengshui City

Mailing Address: Room 1207, 1988 Yongxing West Road , Hengshui City

Document type: Business License ID Number: 131100000025280

Postal Code: 053000 Contact Tel: _____

Principal (hereinafter referred to as “Party B”): SouFun Media Technology (Beijing) Co., Ltd.

Legal representative (Person in Charge): Mo Tianquan

Legal address: Room 202, 2/F, South District Service Building 14, 46 Zhongguancun South Street Beijing, Haidian District

Mailing Address: Room 202, 2/F, South District Service Building 14, 46 Zhongguancun South Street, Haidian District, Beijing

Lender (namely the trustee, hereinafter referred to as “Party C”): Bank of Communications Co., Ltd. Beijing Gongzhufen Branch

Person in charge: Hua Tianxue

Mailing Address: A14 Fuxing Road, Haidian District, Beijing

Whereas Party B and Party C have entered into the *General Entrusted Loan Agreement* No. 1191815, upon the application of Party A, Party B has agreed and has entrusted Party C to extend the loan to Party A. This Agreement has been specially formulated to clarify the rights and obligations of all Parties, after a consensus was reached through consultation..

Article 1 Details of the Loan

1.1 Loan Amount: RMB FIFTY MILLION ONLY (uppercase).

1.2 Purpose of Loan : Working capital

1.3 Tenure: From 5 November 2009 To 5 May 2010.

Article 2 Interest rate and the calculation and payment of interest

2.1 The interest rate applicable to the contract shall be:

o√ RMB fixed interest rate. The interest rate for the entire contract period shall be effected at 10% (annual);

o RMB floating rate. The interest rate shall be _____.

2.2 Monthly interest rate = annual interest rate/12 and daily interest rate = monthly interest rate/30. Party A and Party B may, under the premise of complying with laws and regulations as well as with the interest rate policy of the People's Bank of China, adjust the interest rate upon mutual consultation, and notify Party C in writing, three (3) bank working days in advance. Upon receiving the *Notice of Interest Rate Adjustment for the Bank of Communication Entrusted Loan* jointly issued by Party A and Party B, Party C shall apply the adjusted interest rate with effect from the date specified in the Notice.

2.3 Formula for calculating Loan interest rate: Normal interest rate = Interest rate stipulated in the Agreement × Loan amount × number of days applicable. Number of days applicable shall be calculated from the date the loan is disbursed to the date of maturity.

2.4 The interest on the loan under the Agreement shall be settled based on Method (2), and the principal and interest shall be paid in full when the loan is due. The Interest Settlement Date shall be the Interest Payment Date:

(1) Monthly Interest Settlement, Party C shall accrue the interest on the 20th day of each month when payment from Party A becomes due.

(2) Quarterly Interest Settlement, Party C shall accrue the interest on the 20th day of the last month of each quarter when payment from Party A becomes due.

Article 3 Issuance and Repayment of the Loan

3.1 Withdrawal by Party A shall be conducted in accordance with the loan disbursement plan as listed below, and with the relevant procedures completed at least three (3) bank working days in advance.

Loan Disbursement Date	Amount Disbursed

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

3.2 Party C shall have the right to refuse the disbursement of loan proceeds until all the following conditions are fulfilled:

(1) Party B's balance in the entrusted fund deposit account set up by Party C shall not be less than the loan amount;

(2) Party C has received Party B's *Bank of Communications Notice of Authorization for the Disbursement of Loan for the Entrusted Loan*;

(3) The security contract under the Agreement (if any) shall have come into effect and remains effective. In the event that a security contract is also a mortgage contract and/or pledge contract, the secured interest shall already have been established and shall remain in force.

3.3 The actual amount of loan proceeds disbursed and the loan disbursement date shall adhere to that stated in the "Loan Certificate".

3.4 Party A shall carry out loan repayments promptly in accordance with the due date as provided in Article 1.3 and with the repayment schedule as listed below. Should the due date as stated in the "Loan Certificate" differ from that in the Agreement, that which is recorded in the "Loan Certificate" shall prevail.

Due Date Repayment Amount

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

___Day ___Month _____Year; _____(Amount in Uppercase)

3.5 Party A shall repay the principal and interest to Party B through Party C, and authorize Party C to deduct the corresponding amount from the account it has set up with Party C for the repayment of principal and interest.

3.6 Party A may repay a portion or all of the loan in advance, with written consent from Party B. Party C shall handle the procedures for advance repayment in accordance with the “Bank of Communications Notice of Advance Repayment for the Entrusted Loan” as issued by Party B.

Article 4 Handling fees for the Entrusted Loan

4.1 Party B shall pay the handling fees incurred for the Entrusted Loan to Party C in accordance with the provisions of the Agreement. With authorization from Party B, the handling fees for Entrusted Loan shall be directly deducted by Party C from the interest payments to Party B made by Party A, or be deducted from the entrusted fund deposit account set up by Party B with Party C.

4.2 The fees for the Entrusted Loan shall be collected in accordance with Method (1) listed below:

(1) Collection at regular intervals. The collection period shall be the same as the interest settlement period for the loan as provided in Article 2.4 of the Agreement. The handling fees shall be collected at each interest payment date.

The handling fees of the Entrusted Loan shall be at a monthly rate of 0.07‰. Daily rate = monthly rate/30. Daily handling fee of the Entrusted Loan = Entrusted Loan balance of the day ×

daily fee rate. The handling fee of the Entrusted Loan of each period shall be the summation of the daily handling fees of the entrusted loan during that period.

Under the Agreement, the handling fee of any Entrusted Loan for the final period shall be deducted and collected on the day the loan is due to be repaid.

(2) One-time collection. In the event that the loan is disbursed in stages as specified in the Agreement, the handling fees of the Entrusted Loan shall be calculated and collected at each stage of the disbursement. The collection date for the handling fees of the Entrusted Loan shall be determined based on Method 1 as listed below:

1, As of the Loan Disbursement Date;

2. The date agreed between Party B and Party C ___. and shall not be any later than the due date of the Entrusted Loan as stipulated in the Agreement, regardless of the situation, .

The handling fees of the entrusted loan shall be at a monthly rate of ___%. Daily rate = monthly rate/30. Handling fee of the Entrusted Loan = Loan disbursement amount x rate of fee as stipulated in the Agreement x number of days the loan was applied as stipulated in the Agreement.

4.3 In the case of overdue loans, Party C shall continue to calculate and collect the handling fees of the Entrusted Loan until Party A makes a full repayment of the loan principal and interest in accordance with the provisions of the Agreement .

The handling fees of the Entrusted Loan shall be paid in full when full repayment of the loan is made in advance. For loans that are repaid in advance, Party C shall not return the handling fees of the Entrusted Loan it has already calculated and collected.

Article 5 Extension of loan term

Should Party A decide to apply for an extension of the term of the loan, a *Bank of Communications Application for the Extension of the Term of the Entrusted Loan* shall be submitted to Party B within 15 days prior to the due date of the loan. Party C shall carry out term extension procedures in accordance with the *Bank of Communications Application for the Extension of the Term of the Entrusted Loan* as approved by Party B. Party B shall be solely liable for losses incurred as a result of the extension of the term of the loan.

Article 6 Party A's Statement and Guarantee

6.1 Party A, duly established, and legally existing in accordance with the law, possesses all necessary legal capacity, and is able to take upon itself, the performance of the obligations and civil duties as stipulated in the Agreement.

6.2 The signing and performance of the Agreement are the sincerest intentions of Party A. All necessary consent, approval and authorization have been given, and no legal blemishes are present with respect to Party A.

6.3 All documentation, reports, materials and information that Party A has provided to Party B and Party C in the course of signing and performing the Agreement, are true, complete, accurate and valid. No information has been concealed from Party B and Party C that may affect its financial condition and loan repayment ability.

6.3 During the signing of the contract, Party A was neither a shareholder, nor an "actual controlling party" as defined under the *Company Law*, of the guarantor, and has no plans to become a shareholder or an actual controlling party of the guarantor.

Article 7 Party A's obligations

7.1 Party A shall repay the loan principal and pay the interest in accordance with the time and amount stipulated in the Agreement.

7.2 Party A shall not use the loan under the Agreement for other purposes.

7.3 Party A shall undertake to pay the costs incurred under the Agreement, including but not limited to, such items as notary fees, appraisal fees, assessment fees, and registration fees.

7.4 Party A shall adhere to the relevant business systems and operational practices of Party C as well as the loan arrangement operations, including but not limited to, cooperating with Party B and Party C to monitor and inspect the usage of the loan, and to promptly provide all financial reports, other materials and information requested by Party B and Party C, and to guarantee that all documents, materials and information are true, complete and accurate.

7.5 Should Party A encounter any of the events listed below, Party B and Party C shall be notified in writing, at least 30 days in advance. Party A shall not take any action prior to the full repayment of the loan principal and interest or prior to providing a loan repayment plan and guarantee approved by Party B:

(1) Disposal of all or most of its assets or significant assets by means of sale, gifting, leasing, transfer, mortgage, pledging or other methods;

(2) Occurrence or likely occurrence of major changes to the operating system or property rights constitution, including but not limited to, the implementation of contracting, leasing, joint venture, corporate restructuring, stock cooperative system reform, corporate sale, combination (merger), joint funding (cooperative), separation, the establishment of subsidiaries, equity transfer, capital reduction and so on.

7.6 Party A shall notify Party B and Party C in writing, within seven (7) days of the occurrence or likely occurrence of the events listed below:

(1) Modifying the constitution, changing business registration matters such as the name of the enterprise, the legal representative (person-in-charge), residence, mailing address or scope of operations, making such decisions that shall have a significant impact on its finances and personnel.

(2) Party A or the guarantor, plans to file for bankruptcy or where an application for bankruptcy may or already have been filed by creditors.

(3) Involvement in material litigation, arbitration, administrative measures, or where property preservation or other mandatory measures have been undertaken as regards its main assets or collateral under the Agreement.

(4) Provision of guarantees to third parties, resulting in a material adverse impact on its operational situation, financial situation or its ability to perform its obligations under the Agreement.

(5) Signing of contracts which have a significant impact on its operational and financial situation;

(6) Party A or the guarantor halts production, ceases business, dissolves, halts operations for consolidation purposes, has its business license revoked or suspended;

(7) Party A, legal representative (person-in-charge) or key management personnel of Party A are involved in illegal activities or violate the applicable rules of the Exchange;

(8) Serious operational difficulties, deterioration of financial situation, or the occurrence of other events that negatively impact the operational or financial situation of Party A, or its repayment ability or economic situation.

(9) Party A becomes or may become the guarantor's shareholder or "actual controlling party" as defined in the *Company Law* prior to the full repayment of the loan.

7.7 Should guarantees under the Agreement experience changes that would negatively impact liabilities, Party A shall promptly provide other guarantees approved by Party B in accordance with the request of Party B or Party C.

"Changes" in this provision refers to but is not limited to: guarantor consolidation, separation, halting of production, cessation of business, dissolution, suspension of business for consolidation purposes, suspension of business license, filing or being filed for bankruptcy; the guarantor's operational or financial situation experienced material changes; the guarantor is involved in material litigation, arbitration, administrative measures, or where property preservation or other mandatory measures have been undertaken as regards its main assets; the loss or possible loss of value of the collateral or where mandatory measures such as property preservation have been taken as regards the collateral; the guarantor or its legal representative (person-in-charge) or key management personnel are involved in illegal activities or violate the applicable rules of the Exchange; where the guarantor is an individual, goes missing or is deceased (declared dead); the guarantor has breached the contract under the provisions of the security contract; the guarantor enters into a dispute with Party A; the guarantor requests the dissolution of the security contract; the security contract has yet to come into effect or is invalid or has been revoked; the secured interest has not been established or is invalid; or other such matters that affect the security of Party B's creditor rights.

Article 8 Other stipulated matters

Article 9 Loans Due in Advance

Should any of the events listed below occur, Party B or Party C has the right to withhold loan proceeds yet to be disbursed, and may declare unilaterally that the principal of the loan proceeds disbursed under the Agreement to be fully or partially due in advance, and request that Party A repay the entire loan principal and interest due. When Party B exercises the rights within this article, the matter shall be handled by Party C. Party C shall carry out the corresponding measures in accordance with the written notice from Party B:

(1) Party A's statements and guarantees under Article 6 are untrue;

(2) Party A has violated the provisions of the Agreement;

(3) On the actual occurrence of any event as stated in Article 7.6 which requires notification where Party B believes that the security of its creditor rights would be affected.

Article 10 Breach of Contract

10.1 Should Party A not repay the loan principal or pay interest in full as scheduled, or use the loan for purposes other than those stipulated in the Agreement, Party C shall calculate and collect interest based on the interest rate for the overdue period or the penalty interest rate for the misappropriation of the loan proceeds. The penalty interest rates for overdue loans shall be the interest rate stipulated in the Agreement raised by 50%, while the penalty interest rate for the misappropriation of loan proceeds shall be the interest rate stipulated in the Agreement raised by 100%.

10.2 Should Party A not repay the loan principal or pay interest in full as scheduled, it shall assume the costs Party B and Party C incurred so as to realize their creditor rights,

including but not limited to, reminder fees, litigation costs (or arbitration fees), security fees, advertising fees, implementation fees, legal fees, travel and other related costs.

10.3 Should Party A avoid the supervision of Party C, be in arrears as regards loan principal and interest, evade repayment of default debt in malice, or engage in other such activities, Party B and Party C shall have the right to report such conduct to the relevant authorities, and make public announcements to the news media.

Article 11 Dispute resolution

Under the Agreement, disputes shall be filed in the court which has jurisdiction over where Party C is domiciled. During the dispute, the Parties shall continue to fulfil the provisions not under dispute.

Article 12 Other provisions

12.1 Under the Agreement, the *Loan Certificate* and relevant documents and information confirmed by the three Parties are integral parts to this agreement.

12.2 The Agreement shall take effect upon the signature of by all parties concerned. Signature, where the party concerned is a privately owned business refers to the signature of the said privately owned business (a privately owned business with an official seal should affix the seal simultaneously). Where the party concerned is a legal person or another organization, signature refers to the signature (or the affixing of the official seal) of its legal representative (person-in-charge) or authorized representative together with the affixing of the official seal (Party C may also affix the official seal of the entity).

12.3 The Agreement shall have four copies, with the three signatory Parties and the guarantor each holding one copy.

Party A and Party B has read the above terms. Party C has provided the corresponding explanation in accordance with the requests made by Party A and Party B. Party A and Party B hold no objections to the entire content.

Party A (Official seal)

Legal representative (Person-in-charge)
or authorized representative
(Signature or affix seal)

Signed: 5 November 2009

Party B (Official seal)

Legal representative (Person-in-charge)
or authorized representative
(Signature or affix seal)

Signed: 5 November 2009

Party C (Seal of the entity)
Person-in-charge or Authorized Representative
(Signature or affix seal)

Signed: 5 November 2009

WEB PROMOTION TECHNICAL SERVICE CONTRACT
(Summary Translation)

Party A: CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd.
Address: Room 1207, No. 1988, Yongxingxi Road, Hengshui
Contact: Lin Jincheng

Party B: SouFun Media Technology (Beijing) Co., Ltd.
Address: Room 202, Tower 14, South District Service Building, No. 46, Zhongguancun Dajie, Haidian District, Beijing
Contact: Mo Tianquan

I. Content of Cooperation

Party B is hereby commissioned to be exclusively responsible for providing web marketing services for Project "Park No.1" located in modification area of People's Park in Hengshui, Hebei Province, P. R. China (the "**Project**") including: Phase I (Building 3, 10, 11 and 13), Phase II (Building 1 and Building 2); and Phase III (Building 4, 5, 6, 7, 8, 9 and 12). The gross floor area of the Project is around 600,000 square meters.

II. Payment of Earnest Money and Service Fee

1. To win the exclusive marketing rights for the Project of Party A, and to indicate Party B's sincerity in servicing Party A, Party B shall, within five (5) working days of the signing of this Contract, pay the sum of RMB fifty million (RMB50,000,000) to Party A as earnest money. Six (6) months after the receipt of the earnest money, Party A shall return the principal amount of the earnest money to Party B.

2. The service fee collected by Party B as a result of the provision of web promotion technical service to Party A shall be in accordance with the standard fees Party B normally charges, and shall be settled quarterly. Party A shall remit the service fee of that quarter to an account designated by Party B within seven (7) working days after the end of each quarter.

III. Term of Service

The time period Party B shall offer its service to Party A shall begin on 23 April 2010 until the end of the Project.

IV. Rights and Obligations of Both Parties

(1) Rights and obligations of Party A

1. Party A shall submit to Party B, the necessary legal documents or statutory materials (including but not limited to: business license, subject qualification of the web promoter, schematic information of proof of legal ownership and other such information as well as other materials that are stipulated by laws and regulations) five (5) working days prior to the first web promotion day stipulated in this Contract.

2. Party A shall, in accordance with the request of Party B, provide all necessary information to Party B, at least five (5) working days prior to the information promotion. Party A shall ensure that the content of all information it provides (including but not limited to written and pictorial manuscripts, icons and links, and other such information) shall be true, legal and valid, and shall not be obtained through unfair competition. At the same time, Party A shall not send out false propaganda on information as regards its product or business that would mislead another. Party A shall ensure that the information it provides enjoy intellectual property rights and other such rights, or corresponding licenses, and has not infringe on the legal rights of a third party. All dissent, claim or dispute arising from the content of the said information shall be unrelated to Party B, with all relevant legal liability to be borne independently by Party A. Should Party B assume any liability for any third party as a result of the abovementioned act of infringement by Party A, Party B has the right to claim compensation from Party A for all losses incurred.

Information provided by Party A shall comply with the provisions of the State for mandatory and restrictive

information content required by the State. Information provided by Party A that does not comply with regulations or for which Party A refuses to amend, Party B has the right to refuse or cancel or/and terminate this Contract without having to bear the liability for a breach of contract. Losses incurred by Party B as a result of the aforesaid situation shall be fully borne by Party A. However, Party B has the obligation to notify Party A promptly.

3. Party A shall notify Party B in writing, five (5) working days in advance should the former wish to alter the format, positioning or timing of the web promotion. Both parties shall determine the alteration in web promotion content and web promotion plan, in writing. Should Party A fail to notify Party B within the stipulated time period, Party B shall have the right to refuse the alteration.

4. Party A shall pay the consideration to Party B in accordance with the stipulated timing in this Contract, and shall promptly coordinate with Party B, in accordance with the request of Party B, in carrying out the designing and production of the information and pages so as to ensure that the information of Party A would be promptly promoted.

5. Final confirmation of the manuscript of all information content provided by Party A shall be made by Party A, failing which Party B shall not be liable for any error present in the information content.

(2) Rights and obligations of Party B

1. Party B shall, in accordance with the stipulations of this Contract, ensure the quality and quantity, and with the best quality and in a timely manner, complete the designing, production and promotion efforts of Party A's information promotion pages on the internet.

2. Party B shall not make unauthorized alteration of the information promotion content, format, positioning and timing without permission from Party A.

3. During the period of information release, Party B shall promptly maintain, update, and prevent virus and hacker attacks, the promoted information of Party A.

4. Party B shall have the right to investigate the information content and the presentation format. Party B may request Party A make amendments for information content and presentation format that are in conflict with laws, regulations or the style of the website. Party B has the right to delete and alter information it has requested to be published.

5. Should Party B fail to receive objections in writing from Party A as regards the promoted information within five (5) working days after the information promotion, Party B shall be deemed to have completed the information promotion in accordance with this Contract.

V. Duty of Confidentiality

1. Without the permission of the other party, none of the parties may leak any of the content of the terms of this Contract, and the status of the signing and performance of this Contract to a third party (other than that required by relevant laws, regulations, government departments, securities exchanges or other regulatory institutions, as well as the legal adviser, accountant, commercial and other consultants and employees of both parties) nor shall any of the parties obtain any information of the other party and the connected companies of the other party through the signing and performance of this Contract. Otherwise, both Parties A and B have the right to request for compensation for losses from the other party and take legal action in accordance with the law.

2. During the effective period of this Contract and upon its termination thereof, the confidentiality provision continues to have legal effect.

VI. Special Disclaimers

1. For the website to operate normally, Party A understands that Party B requires the halting of machinery for maintaining the website on a scheduled or ad-hoc basis. In the event that the information under this Contract is unable to be promoted on schedule as a result of the aforesaid situation, Party A may not seek liability as regards this matter. However, Party B has the obligation, on a best effort basis, to avoid interrupting the service or to restrict the duration of interruption to its minimum. At the same time, Party A has the right to request that the said duration of information promotion be extended accordingly within the time period of this Contract.

2. Party B may make adjustments, on an ad-hoc basis, to such relevant aspects as its service content, the layout of web pages, and web page design. Should the abovementioned adjustments affect the information promotion under this Contract (including the promotion positioning and/or promotion period), Party A shall not seek legal liability, upon confirmation. Meanwhile, Party B shall, on a best effort basis, reduce the abovementioned impact to its minimum.

7. Force Majeure

1. “Force majeure” refers to events that both Parties concerned with this Contract are unable to reasonably control, foresee or avoid even when foreseen. Such events prevent, affect or delay either party in performing all, or part, of the obligations in accordance with this Contract. Such matters include but are not limited to government conduct, natural disasters, wars, computer viruses, hacker attacks, network obstructions, or the delay in or obstructions to the services of bandwidth or other network equipment or technical providers, or any other similar events.

When force majeure events occur, the party in the know shall promptly and fully inform the other party in writing, and inform the other party the possible impact such matters would have on this Contract, as well as to provide relevant proof within a reasonable time period. As the abovementioned force majeure events may result in the inability to perform or a delay in the performance of part, or all, of this Contract, both parties shall mutually grant the other party the right not to assume any breach of contract liability. Both parties shall undertake settlement in accordance with the time period for which Party A actually enjoys the web promotion technology service.

2. In the event force majeure occurs after either one of the parties has breached the Contact, liability shall not be exempted.

VIII. Contract Alteration, Rescission and Breach of Contract

1. Unauthorized alterations or amendments of all provisions stipulated in this Contract may not be made by either Party A or Party B. Parties A and B shall consult with one another on matters not mentioned in this Contract, or any amendments, alterations, or additions or deletions made to this Contract, and a supplementary contract formulated. The supplementary contract shall become effective once the authorized representatives of both parties have signed or affixed their seals, and shall have equal validity as this Contract.

2. Should either one of the parties violate the obligations stipulated in this Contract, the delinquent party shall immediately cease its act of violating this Contract on the day it receives written notification from the compliant party requesting the rectification of the former’s act of violating this Contract, and shall within 30 days, compensate all resultant losses incurred by the compliant party. In the event that the delinquent party continues to violate this Contract or does not perform its obligations, the compliant party shall have the right to terminate this Contract in advance, in addition to obtaining compensation from the delinquent party for all its losses.

3. During the period of this Contract, should Party A fail to pay Party B the consideration due after seven (7) days of overdue, Party B may, after having sent reminders and in the event that Party A continues to refuse to pay, notify Party A in writing, to terminate this Contract.

Should Party A pay the consideration after it is due, it shall pay overdue penalty equivalent to a fifth of 1000 (5/1000 or 0.5%) of the portion overdue for each day that the payment is overdue.

IX. Dispute Resolution

1. Laws of the People’s Republic of China shall be applied for resolving the coming into force, the interpretation, implementation, jurisdiction and dispute of this Contract.

2. Parties A and B may amicably discuss and consult with one another to resolve any dispute resulting from, or related to this Contract. In the event that the discussion and consultation fail, any one party has the right to file a lawsuit at the People’s Court where Party B is domiciled.

X. Coming into Force

1. This Contract shall come into force once the authorized representatives of both parties have signed and

affixed their official seals or the special seal for this Contract.

2. There shall be four (4) counterparts of this Contract with Parties A and B each holding two counterparts. The relevant appendices of this Contract shall form an integral part of this Contract and shall have equal legal effect as the main text of this Contract.

Party A: **CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd.**
Signature of authorized representative: */s/ Lin Jincheng*
/Seal/ CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd.
Dated: 23 April 2010

Party B: **SouFun Media Technology (Beijing) Co., Ltd.**
Signature of authorized representative: */s/ Mo Tainquan*
/Seal/ SouFun Media Technology (Beijing) Co., Ltd.
Dated: 23 April 2010

INDIVIDUAL ENTRUSTMENT LOAN AGREEMENT
(Summary Translation)

Important

Party A and Party B are requested to read this Agreement in full and with care, especially the provisions marked with 55. Party C should be consulted promptly if any doubt arises.

Borrower (hereinafter referred to as "**Party A**"):		CNED Hengshui Zhongcheng Wanyuan Home Co., Ltd.
Legal representative (Person in charge):		Mo Tianquan
Legal address:		Room 1207, 1988 Yongxing West Road, Hengshui City
Mailing Address:		Room 1207, 1988 Yongxing West Road , Hengshui City
Document type:	Business License	ID Number: 131100000025280
Postal Code:	053000	Contact Tel: _____
Principal (hereinafter referred to as "**Party B**"):		SouFun Media Technology (Beijing) Co., Ltd.
Legal representative (Person in charge):		Mo Tianquan
Legal address:		Room 202, 2/F, South District Service Building 14 46 Zhongguancun South Street, Haidian District, Beijing
Mailing Address:		Room 202, 2/F, South District Service Building 14 46 Zhongguancun South Street, Haidian District, Beijing

Lender (namely the trustee, hereinafter referred to as "**Party C**"):

	Bank of Communications Co., Ltd. Beijing Gongzhufen Branch
Person in charge:	Hua Tianxue
Mailing Address:	A14 Fuxing Road, Haidian District, Beijing

Whereas Party B and Party C have entered into the General Entrusted Loan Agreement No. 1191815, pursuant to which, upon the application of Party A, Party B will agree and entrust Party C to extend the loan to Party A. This Agreement sets forth the rights and obligations of all Parties, following consultations among them.

Article 1 Details of the Loan

1.1	Loan amount:	RMB FIFTY MILLION ONLY.
1.2	Purpose of Loan:	Working capital
1.3	Tenure:	From 5 November 2009 to 5 May 2010.

Article 2 Interest Rate and Calculation and Payment of Interest

2.1 The interest rate applicable to this Agreement shall be RMB fixed interest rate at 10% per annum for the entire contract period of this Agreement.

2.2 Any monthly interest shall be calculated at the annual interest rate divided by 12; and any daily interest shall be calculated at the monthly interest rate divided by 30. Party A and Party B may, in compliance with laws and regulations as well as with the interest rate policy of the People's Bank of China, adjust the interest rate upon mutual consent, and notify Party C in writing at least three (3) banking days in advance. Upon receiving a Notice

of Interest Rate Adjustment for the Bank of Communication Entrusted Loan jointly issued by Party A and Party B, Party C shall apply the adjusted interest rate with effect from the date specified in such notice.

2.3 Formula for calculating the interest:

Interest = Interest rate stipulated in this Agreement × Loan amount × number of days of the Loan. The number of days of the Loan shall be calculated from the date the Loan is disbursed to the date of its maturity.

2.4 The interest on the Loan under this Agreement shall be due and settled on a quarterly basis, with Party C collecting payment of such interest on the 20th day of the last month of each quarter from Party A for the quarter. The principal and any unpaid interest shall be due and payable at maturity.

Article 3 Disbursement and Repayment of the Loan

3.1 Withdrawal of the Loan by Party A may be made to the extent that the relevant procedures have been completed at least three (3) banking days in advance.

3.2 Party C shall have the right to refuse the disbursement of any Loan proceeds until all of the following conditions are fulfilled:

(1) Party B's balance in the entrusted fund deposit account at Party C shall not be less than the Loan amount;

(2) Party C has received Party B's Bank of Communications Notice of Authorization for the Disbursement of Loan for the Entrusted Loan;

(3) The security contract under this Agreement (if any) shall have come into effect and remains effective. In the event of a mortgage contract and/or a pledge contract, the secured interest shall have been established and shall remain in force.

3.3 The actual amount of Loan proceeds disbursed and the actual Loan disbursement date shall be as stated in the "Loan Certificate".

3.4 Party A shall make payments relating to the Loan promptly in accordance with the due date as provided in Article 1.3. Should the due date as stated in the "Loan Certificate" differ from that in this Agreement, the "Loan Certificate" shall prevail.

3.5 Party A shall cause Party C to repay the principal and interest to Party B, and authorize Party C to deduct the corresponding amounts from its account with Party C for such repayments to Party B of principal and interest of the Loan.

3.6 Party A may prepay a portion or all of the Loan prior to its maturity, with the written consent from Party B. Party C shall process the prepayment in accordance with the "Bank of Communications Notice of Advance Repayment for the Entrusted Loan" issued by Party B.

Article 4 Handling Fees for the Entrusted Loan

4.1 Party B shall pay the handling fees incurred for the entrustment of the Loan to Party C in accordance with the provisions of this Agreement. With the authorization from Party B, the handling fees for the entrustment of the Loan may be deducted by Party C from the interest payments to Party B or from the entrusted fund deposit account of Party B with Party C.

4.2 The fees for the entrustment of the Loan shall be collected at regular intervals. The fee collection period shall be the same as the interest settlement period for the Loan as provided in Article 2.4. The handling fees shall be collected at each interest payment date. The handling fees for the entrustment of the Loan shall be at a monthly rate of 0.07‰, with the daily rate equal to the monthly rate divided by 30.

Daily handling fee for the entrustment of the Loan = Loan balance of the day × daily fee rate. The handling fee for the entrustment of the Loan of each period shall be the sum of the daily handling fees for the entrustment of the Loan during that period.

The handling fee for the entrustment of the Loan for the final period shall be deducted and collected on the maturity day of the Loan.

4.3 In the event that the Loan is overdue, Party C shall continue to accrue and collect its handling fees for the entrustment of the Loan until Party A makes a full repayment of the Loan in accordance with the provisions of this Agreement.

The handling fees for the entrustment of the Loan shall be paid in full when full prepayment of the Loan is made. For a Loan that is prepaid, Party C shall not return the handling fees for the entrustment of such Loan already accrued and collected.

Article 5 Extension of Loan Term

Should Party A decide to apply for an extension of the term of the Loan, a Bank of Communications Application for the Extension of the Term of the Entrusted Loan shall be submitted by Party A to Party B within 15 days prior to the due date of the Loan. Party C shall proceed with the Loan term extension procedures in accordance with the Bank of Communications Application for the Extension of the Term of the Entrusted Loan as approved by Party B. Party B shall be solely liable for any loss incurred as a result of the extension of the term of the Loan.

Article 6 Party A's Statement and Guarantee

6.1 Party A has been duly established, is legally existing in accordance with the applicable law, possesses all necessary legal capacity, and is able to take upon itself the performance of the obligations and civil duties as stipulated in this Agreement.

6.2 The execution and performance of this Agreement are based on the true intentions of Party A. All necessary consents, approvals and authorizations have been obtained, and no legal blemishes are present with respect to Party A.

6.3 All documentation, reports, materials and information that Party A has provided to Party B and Party C in the course of execution and performance of this Agreement are true, complete, accurate and valid. No information has been omitted from Party B and Party C that relates to Party A's financial condition and Loan repayment ability.
6.3 At execution of this Agreement, Party A is neither a shareholder, nor an "actual controlling party", as defined under the Company Law, of the guarantor and has no plans to become a shareholder or an actual controlling party of the guarantor.

Article 7 Party A's Obligations

7.1 Party A shall repay the Loan principal and pay the interest thereon in accordance with the time and amount stipulated in this Agreement.

7.2 Party A shall not use the Loan under this Agreement for purposes other than as permitted hereunder.

7.3 Party A shall undertake to pay the costs incurred under this Agreement, including but not limited to, such items as notary fees, appraisal fees, assessment fees, and registration fees.

7.4 Party A shall adhere to the relevant business systems and operational practices of Party C as well as the Loan arrangement operations, including but not limited to, cooperating with Party B and Party C to monitor and inspect the usage of the Loan, and to promptly provide all financial reports, other materials and information requested by Party B and Party C, and to guarantee that all documents, materials and information are true, complete and accurate.

7.5 Should Party A encounter any of the events listed below, Party B and Party C shall be notified in writing, at least 30 days in advance. Party A shall not take any action prior to the full repayment of the Loan principal and interest or prior to providing a Loan repayment plan and guarantee approved by Party B:

(1) Disposal of all or most of its assets or significant assets by means of sale, gift, leasing, transfer, mortgage, pledging or other methods;

(2) Occurrence or likely occurrence of major changes to the corporate organization or property rights, including but not limited to, the implementation of contracting-out, leasing, joint venture, corporate restructuring, stock cooperative system reform, corporate sale, combination (merger), joint funding (cooperative), separation, the establishment of subsidiaries, equity transfer, and capital reduction.

7.6 Party A shall notify Party B and Party C in writing, within seven (7) days of the occurrence or likely occurrence of any of the events listed below:

(1) Modifying its constitution, changing its business registration matters such as the name of the enterprise, the legal representative (person-in-charge), residence, mailing address or scope of operations, making such decisions that shall have a significant impact on its finances and personnel.

(2) Party A or the guarantor plans to file for bankruptcy or where an application for bankruptcy may or already have been filed by creditors.

(3) Involvement in material litigation, arbitration, administrative measures, or where property preservation or other mandatory measures have been undertaken as regards its main assets or collateral under this Agreement.

(4) Provision of guarantees to third parties, resulting in a material adverse impact on its operational situation, financial situation or its ability to perform its obligations under this Agreement.

(5) Signing of contracts which have a significant impact on its operational and financial situation;

(6) Party A or the guarantor halts production, ceases business, dissolves, halts operations for consolidation purposes, has its business license revoked or suspended;

(7) Party A, legal representative (person-in-charge) or key management personnel of Party A are involved in illegal activities or violate the applicable rules of the applicable stock exchanges;

(8) Serious operational difficulties, deterioration of financial situation, or the occurrence of other events that negatively impact the operational or financial situation of Party A, or its repayment ability or economic situation.

(9) Party A becomes or may become the guarantor’s shareholder or “actual controlling party” as defined in the Company Law prior to the full repayment of the Loan.

7.7 Should guarantees under this Agreement experience changes that would negatively impact liabilities of Party A, Party A shall promptly provide other guarantees approved by Party B in accordance with the request of Party B or Party C.

“Changes” in this provision refers to but is not limited to: guarantor consolidation, separation, halting of production, cessation of business, dissolution, suspension of business for consolidation purposes, suspension of business license, filing or being filed for bankruptcy; the guarantor’s operational or financial situation experienced material changes; the guarantor is involved in material litigation, arbitration, administrative measures, or where property preservation or other mandatory measures have been undertaken as regards its main assets; the loss or possible loss of value of the collateral or where mandatory measures such as property preservation have been taken as regards the collateral; the guarantor or its legal representative (person-in-charge) or key management personnel are involved in illegal activities or violate the applicable rules of the Exchange; where the guarantor is an individual, goes missing or is deceased (declared dead); the guarantor has breached the contract under the provisions of the security contract; the guarantor enters into a dispute with Party A; the guarantor requests the dissolution of the security contract; the security contract has yet to come into effect or is invalid or has been revoked; the secured interest has not been established or is invalid; or other such matters that affect the security of Party B’s creditor rights.

Article 8 Other Stipulated Matters

None.

Article 9 Loans Due in Advance

Should any of the events listed below occur, Party B or Party C has the right to withhold any Loan proceeds yet to be disbursed, and may declare unilaterally that the principal of the Loan proceeds already disbursed under this Agreement to be fully or partially due in advance, and demand that Party A repay the entire Loan principal and interest due. When Party B exercises the rights within this article, the matter shall be handled by Party C. Party C shall carry out the corresponding measures in accordance with the written notice from Party B:

(1) Party A’s statements and guarantees under Article 6 are untrue;

(2) Party A has violated the provisions of this Agreement;

(3) On the actual occurrence of any event as stated in Article 7.6 which requires notification where Party B believes that the security of its creditor rights would be affected.

Article 10 Breach of Contract

10.1 Should Party A not repay the Loan principal or pay interest thereon in full as scheduled, or use the Loan for purposes other than those stipulated in this Agreement, Party C shall be entitled to and collect interest based on the interest rate for the overdue period or the penalty interest rate for the misappropriation of the Loan proceeds. The penalty interest rates for any overdue Loan shall be the interest rate stipulated in this Agreement increased by 50%, while the penalty interest rate for the misappropriation of any Loan proceeds shall be the interest rate stipulated in this Agreement increased by 100%.

10.2 Should Party A not repay the Loan principal or pay interest thereon in full as scheduled, it shall assume the costs Party B and Party C have incurred in connection with the protection of their creditor rights, including but not limited to, collection fees, litigation costs (or arbitration fees), security fees, advertising fees, implementation fees, legal fees, travel and other related costs.

10.3 Should Party A evade the supervision of Party C, delay in the payment of any Loan principal or interest, default in repayment of its indebtedness, or engage in such other similar activities, Party B and Party C shall have the right to report such conduct to the relevant authorities, and make public announcements to the news media.

Article 11 Dispute Resolution

Under this Agreement, disputes shall be submitted to the court in the jurisdiction of Party C's domicile. During the dispute, the Parties shall continue to fulfill the provisions not under dispute.

Article 12 Other Provisions

12.1 Under this Agreement, the Loan Certificate and relevant documents and information confirmed by the three Parties are integral parts to this Agreement.

12.2 This Agreement shall take effect upon the signature of all Parties concerned. Signature, where the Party concerned is a privately owned business refers to the signature of the said privately owned business (with its official seal affixed). Where the Party concerned is a legal person or another organization, signature refers to the signature (or seal) of its legal representative (person-in-charge) or authorized representative together with the affixing of the official seal (Party C may also affix its official seal).

12.3 This Agreement shall be executed in four counterparts, with the three Parties and the guarantor each holding one copy.

Party A and Party B have each read the above terms. Party C has provided the corresponding explanation in accordance with the requests made by Party A and Party B. Party A and Party B hold no objections to the entire content of this Agreement.

Party A (Official seal)

/Sealed/

Legal representative (Person-in-charge)
or authorized representative
(Signature or affix seal)

/s/ *Lin Jincheng*

Dated: November 5, 2009

Party B (Official seal)

/Sealed/

Legal representative (Person-in-charge)
or authorized representative
(Signature or affix seal)

/s/ *Mo Tianquan*

Dated: November 5, 2009

Party C (Seal of the entity)
Person-in-charge
or authorized representative
(Signature or affix seal)

/Sealed/

Dated: 5 November 2009

Termination Agreement With Respect To
Web Promotion and Technical Service Contract

This Termination Agreement (this "**Agreement**") is made by and between the following parties on the 5th day of July, 2010.

Party A: **Beijing Dong Fang Xi Mei Investment Consulting Co., Ltd.**
Company address: Room 23B1, No 1 Building, Yard 1, Xizhimenwai Dajie, Xicheng District, Beijing (Deshengyuan District)

Party B: **Beijing SouFun Technical Development Co., Ltd.**
Company address: Room 203, 2/F, Tower 14, 46 South District Service Building, Zhongguancun Dajie, Haidian District, Beijing

WHEREAS: Party A and party B entered into Web Promotion and Technical Service Contract (the "**Contract**") dated February 5, 2010. Both Parties hereby agree the following provisions:

1. Through amicable negotiation, both Parties agree to terminate the Contract. Party A hereby agrees to repay the principal of commitment deposit to Party B. Upon the repayment of the commitment deposit to Party B, there is no debtor-creditor or commercial relationship between both Parties.

2. This Agreement shall come into force once the authorized representatives of both Parties have signed and affixed their official seals.

3. Laws of the People's Republic of China shall be applied for resolving the coming into force, the interpretation, implementation, jurisdiction and dispute of this Agreement.

4. This Agreement shall be executed in two copies, each of which shall constitute the same instrument.

Intentionally Left Blank

Party A: **Beijing Dong Fang Xi Mei Investment Consulting Co., Ltd.**

/Seal/ Beijing Dong Fang Xi Mei Investment Consulting Co., Ltd.

Party B: **Beijing SouFun Technical Development Co., Ltd.**

/Seal/ Beijing SouFun Technical Development Co., Ltd.

Web Promotion Technical Service Contract

Contract No: _____

Party A: **Beijing Wei Ye Hang Real Estate Agency Co., Ltd.**
Company address: 11th Floor, Tower B, Huixin Plaza, 8 Anli Road, Andingmenwai, Chaoyang District, Beijing
Contact: Lin Jie

Party B: **Beijing SouFun Technical Development Co., Ltd.**
Company address: T3, Xihuan Plaza, Xizhimenwai Avenue, Xicheng District, Beijing
Contact: Mo Tianquan

I. Content of cooperation

Party B is hereby commissioned by Party A to be exclusively responsible for providing planning and marketing services for the promotion of Sanya Chen Guang Hotel Project located in Sanya, Hainan Province.

II. Payment of earnest money and service fee

1. To win the exclusive marketing rights for the subject project, and to indicate Party B's sincerity in servicing Party A, upon the execution of this Contract, both parties will negotiate the payment of commitment deposit up to RMB fifty million (RMB50,000,000) with the term of six months by Party B to Party A. The commitment deposit shall come into effect upon the receipt. The Parties agree to enter into separate agreement on the commitment deposit.

2. The service fee collected by Party B as a result of the provision of web promotion technical service to Party A shall be in accordance with the standard fees Party B normally charges, and shall be settled quarterly. Party A shall remit the service fee of that quarter to an account designated by Party B within seven working days after the end of each quarter.

III. Term of service

The time period Party B offers its service to Party A shall begin on July 5, 2010 until the end of the subject project.

IV. Rights and obligations of both parties

(1) Rights and obligations of Party A

1. Party A shall submit to Party B, the necessary legal documents or statutory materials (including but not limited to: business license, subject qualification of the web promoter, schematic information of proof of legal ownership and other such information as well as other materials that are stipulated by laws and regulations) five working days prior to the first web promotion day stipulated in the Agreement.

2. Party A shall, in accordance with the request of Party B, provide all necessary information to Party B, at least five working days prior to the information promotion. Party A shall ensure that the content of all information it provides (including but not limited to written and pictorial manuscripts, icons and links, and other such information) shall be true, legal and valid, and shall not be obtained through unfair competition. At the same time, Party A shall not send out false propaganda on information as regards its product or business that would mislead another. Party A shall ensure that the information it provides enjoy intellectual property rights and other such rights, or corresponding licenses, and has not infringe on the legal rights of a third party. All dissent, claim or dispute arising from the content of the said information shall be unrelated to Party B, with all relevant legal liability to be borne independently by Party A. Should Party B assume any liability for any third party as a result of the abovementioned act of infringement by Party A, Party B has the right to claim compensation from Party A for all losses incurred.

Information provided by Party A shall comply with the provisions of the State for mandatory and restrictive information content required by the State. Information provided by Party A that does not comply with regulations or for which Party A refuses to amend, Party B has the right to refuse or cancel or/and terminate the Contract without having to bear the liability for a breach of contract. Losses incurred by Party B as a result of the aforesaid situation shall be fully borne by Party A. However, Party B has the obligation to notify Party A promptly.

3. Party A shall notify Party B in writing, five working days in advance should the former wish to alter the format, positioning or timing of the web promotion. Both parties shall determine the alteration in web promotion content and web promotion plan, in writing. Should Party A fail to notify Party B within the stipulated time period, Party B shall have the

right to refuse the alteration.

4. Party A shall pay the Contract consideration to Party B in accordance with the stipulated timing in the Contract, and shall promptly coordinate with Party B, in accordance with the request of Party B, in carrying out the designing and production of the information and pages so as to ensure that the information of Party A would be promptly promoted.

5. Final confirmation of the manuscript of all information content provided by Party A shall be made by Party A, failing which Party B shall not be liable for any error present in the information content.

(2) Rights and obligations of Party B

1. Party B shall, in accordance with the stipulations of the Contract, ensure the quality and quantity, and with the best quality and in a timely manner, complete the designing, production and promotion efforts of Party A's information promotion pages on the internet.

2. Party B shall not make unauthorized alteration of the information promotion content, format, positioning and timing without permission from Party A.

3. During the period of information release, Party B shall promptly maintain, update, and prevent virus and hacker attacks, the promoted information of Party A.

4. Party B shall have the right to investigate the information content and the presentation format. Party B may request Party A make amendments for information content and presentation format that are in conflict with laws, regulations or the style of the website. Party B has the right to delete and alter information it has requested to be published.

5. Should Party B fail to receive objections in writing from Party A as regards the promoted information within five working days after the information promotion, Party B shall be seen to have completed the information promotion in accordance with the Agreement.

V. Duty of confidentiality

1. Without the permission of the other party, none of the parties may leak any of the content of the terms of the Contract, and the status of the signing and performance of the Contract to a third party (other than that required by relevant laws, regulations, government departments, securities exchanges or other regulatory institutions, as well as the legal adviser, accountant, commercial and other consultants and employees of both parties) nor shall any of the parties obtain any information of the other party and the connected companies of the other party through the signing and performance of the Contract. Otherwise, both Parties A and B have the right to request for compensation for losses from the other party and take legal action

in accordance with the law.

2. During the effective period of the Contract and upon its termination thereof, the confidentiality provision continues to have legal effect.

VI. Special disclaimers

1. For the website to operate normally, Party A understands that Party B requires the halting of machinery for maintaining the website on a scheduled or ad-hoc basis. In the event that the information under the Contract is unable to be promoted on schedule as a result of the aforesaid situation, Party A may not seek liability as regards this matter. However, Party B has the obligation, on a best effort basis, to avoid interrupting the service or to restrict the duration of interruption to its minimum. At the same time, Party A has the right to request that the said duration of information promotion be extended accordingly within the time period of the Contract.

2. Party B may make adjustments, on an ad-hoc basis, to such relevant aspects as its service content, the layout of web pages, and web page design. Should the abovementioned adjustments affect the information promotion under the Contract (including the promotion positioning and/or promotion period), Party A shall not seek legal liability, upon confirmation. Meanwhile, Party B shall, on a best effort basis, reduce the abovementioned impact to its minimum.

7. Force majeure

1. “Force majeure” refers to events that both Parties concerned with the Contract are unable to reasonably control, foresee or avoid even when foreseen. Such events prevent, affect or delay either party in performing all, or part, of the obligations in accordance with the Contract. Such matters include but are not limited to government conduct, natural disasters, wars, computer viruses, hacker attacks, network obstructions, or the delay in or obstructions to the services of bandwidth or other network equipment or technical providers, or any other similar events.

When force majeure events occur, the party in the know shall promptly and fully inform the other party in writing, and inform the other party the possible impact such matters would have on the Contract, as well as to provide relevant proof within a reasonable time period. As the abovementioned force majeure events may result in the inability to perform or a delay in the performance of part, or all, of the Contract, both parties shall mutually grant the other party the right not to assume any breach of contract liability. Both parties shall undertake

settlement in accordance with the time period for which Party A actually enjoys the web promotion technology service.

2. In the event force majeure occurs after either one of the parties has breached the Contact, liability shall not be exempted.

VIII. Contract alteration, rescission and breach of contract

1. Unauthorized alterations or amendments of all provisions stipulated in the Contract may not be made by either Party A or Party B. Parties A and B shall consult with one another on matters not mentioned in the Contract, or any amendments, alterations, or additions or deletions made to the Contract, and a supplementary contract formulated. The supplementary contract shall become effective once the authorized representatives of both parties have signed or affixed their seals, and shall have equal validity as the Contract.

2. Should either one of the parties violate the obligations stipulated in the Contract, the delinquent party shall immediately cease its act of violating the Contract on the day it receives written notification from the compliant party requesting the rectification of the former's act of violating the Contract, and shall within 30 days, compensate all resultant losses incurred by the compliant party. In the event that the delinquent party continues to violate the Contract or does not perform its obligations, the compliant party shall have the right to terminate the Contract in advance, in addition to obtaining compensation from the delinquent party for all its losses.

3. During the period of the Contract, should Party A fail to pay Party B the consideration due after seven days of overdue, Party B may, after having sent reminders and in the event that Party A continues to refuse to pay, notify Party A in writing, to terminate the Contract.

Should Party A pay the consideration after it is due, it shall pay overdue penalty equivalent to a fifth of 1000 (5/1000 or 0.5%) of the portion overdue for each day that the payment is overdue.

IX. Dispute resolution

1. Laws of the People's Republic of China shall be applied for resolving the coming into force, the interpretation, implementation, jurisdiction and dispute of the Contract.

2. Parties A and B may amicably discuss and consult with one another to resolve any dispute resulting from, or related to the Contract. In the event that the discussion and consultation fail, any one party has the right to file a lawsuit at the People's Court where Party

B is domiciled.

X. Coming into force

1. The Contract shall come into force once the authorized representatives of both parties have signed and affixed their official seals or the special seal for the Contract.

2. There shall be four copies of the Contract with Parties A and B both holding two copies. The relevant appendices of the Contract shall form an integral part of the Contract and shall have equal legal effect as the main text of the Contract.

Signature page

Party A: **Beijing Wei Ye Hang Real Estate Agency Co., Ltd.**
Signature of authorized representative:
Signing Date: July 16, 2010

Party B: **Beijing SouFun Technical Development Co., Ltd.**
Signature of authorized representative:
Signing Date: July 16, 2010

INDEMNITY AGREEMENT

This Indemnity Agreement, dated as of August 4, 2010 (this "Agreement"), is among Vincent T. Mo, a natural person, (the "Manager") and CNED Hengshui Zhong Cheng Wanyuan Home Co., Ltd. ("Hengshui"), a PRC company, and SouFun Holdings Limited, a Cayman Islands limited liability company.

WHEREAS, the Manager desires to enter into this Agreement in his individual capacity;

WHEREAS, the Manager is the executive chairman of SouFun;

WHEREAS, the Manager the major shareholder and chairman of Hengshui; and

WHEREAS, Hengshui has entered into certain contractual arrangements with SouFun pursuant to which SouFun has provided RMB50,000,000 in commitment deposits to Hengshui (the "Commitment Deposits") in order to secure SouFun's position as the exclusive online marketing and listing service provider for Hengshui.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Indemnification by the Manager.

(a) The Manager hereby agrees to indemnify and hold SouFun Holdings Limited (the "Indemnitee") harmless from and against any and all claims, liabilities, losses, damages, judgments, settlements, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and disbursements) (individually, a "Loss" and collectively, "Losses") that Indemnitee may sustain or incur as a result of Indemnitee's granting the Commitment Deposits to Hengshui, whether as a result of Hengshui's failure or inability to repay the Commitment Deposits, regulatory or government actions or lawsuits or private actions related to the Commitment Deposits, or otherwise; in each case irrespective of the time when the claim giving rise to such Loss or Losses is asserted or when the amount of such Loss or Losses is established. For the avoidance of doubt, the Manager is agreeing to provide the indemnity referred to in the immediately preceding sentence in his individual capacity, and not in his role as a director or officer of the Indemnitee.

b) Upon Indemnitee' written verification of the amount and cause of any Loss or Losses incurred by Indemnitee, the Manager, shall pay each such Loss covered by this Section directly as and when due to the Indemnitee entitled thereto.

c) The Manager agrees that he is entering into this Agreement in his individual, personal capacity and not in his role as an executive officer or director of the Company. Further, the Manager agrees to forego and hereby irrevocably waives any recourse or right he may have to apply indemnity agreements or provisions he may have in his capacity as an executive officer and director of the Company to cause the Company to reimburse, indemnity or otherwise hold harmless the Manager against any of the Losses described herein.

Section 2. Duty to Defend; Advance of Expenses. If any judicial or administrative proceeding, or threatened proceeding, including any government investigation, whether civil, criminal or otherwise

(individually, an “Action” and collectively, “Actions”), is asserted, commenced or brought against the Indemnitee for which it may be indemnified by the Manager pursuant to Section 3(a), Indemnitee shall have the right to retain and direct counsel to defend such Action. If an Action brought by a third party is also brought against the Manager or Hengshui, the Manager shall be entitled to assume the defense of such Action with counsel reasonably satisfactory to the Indemnitee. The Manager shall pay all fees and disbursements of such counsel retained in accordance with the foregoing two sentences. Neither the Manager nor Hengshui shall consent to the terms of any compromise or settlement of any Action defended by them in accordance with the foregoing without the prior written consent of the Indemnitee.

Section 3. Notice of Claims. If Indemnitee receives complaints, claims or other notices of any Actions, Losses or other liabilities that may give rise to indemnification under Section 3, Indemnitee shall promptly notify the Manager and Hengshui of each such complaint, claim or other notice; but the omission to so notify the Manager and Hengshui shall not relieve the Manager from any liability under this Agreement.

Section 4. No Lawsuits. The Manager and Hengshui each agrees not to assert, commence or bring any Action, arbitral proceeding or similar claim against Indemnitee, or prosecute any lawsuit in any court against Indemnitee on account of the Manager’s role as a senior officer and director of the Company, or of any act or omission by Indemnitee covered by the Manager’s agreement to indemnify under Section 1. The Manager further agrees that he will not assert or seek any indemnification for any Losses or Expenses (as those terms are defined in any Indemnification Agreement, between the Indemnitee and the Manager such as is customarily entered into between U.S. listed companies and their directors and officers (the “D&O Indemnification Agreement”) from the Indemnitee under the D&O Indemnification Agreement, or under any other indemnification or similar agreements or arrangements between the Manager and the Indemnitee, for any amounts paid or payable by the Manager to the Indemnitee under this Agreement.

Section 5. Notices. Any notice or other communication under this Agreement shall be in writing and deemed given upon receipt by a party at its address set forth on the signature page hereof or at such other address as such party shall hereafter furnish in writing.

Section 6. Counterparts; Modification; Headings.

(a) This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and any party may execute this Agreement by signing any such counterpart. (b) This Agreement may be executed by facsimile transmission and electronic mail, and such facsimile and electronic mail signatures shall be binding, of full force and effect and treated as original signatures. (c) No modification of this Agreement shall be binding unless executed in writing by the parties hereto or their respective successors and permitted assigns. (d) Section headings are not part of this Agreement, they are solely for convenience of reference and shall not affect the meaning or interpretation of any provisions of this Agreement.

Section 7. Successors and Assigns; Sole Benefit. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. Nothing expressed or referred to herein is intended or shall be construed to give any person other than the parties hereto and their respective heirs, executors, administrators, successors and assigns any legal or equitable rights, remedies or claims under or with respect to any provisions of this Agreement. No party hereto may assign its obligations under this Agreement without the prior consent of the other parties hereto.

Section 8. Agreement Not Exclusive. The right to indemnification provided to Indemnitee under this Agreement shall be independent of, and neither subject to nor in derogation of, any other rights to indemnification or exculpation to which the Company may be entitled, including, without limitation, any such rights that may be asserted under any other agreement, applicable corporate law, or any other contract or insurance.

Section 9. Costs of Enforcement. The Manager shall pay all reasonable costs and expenses incurred by Indemnitee in the enforcement of its rights under this Agreement, including, without limitation, all court costs and reasonable attorney's fees.

Section 10. Severability. If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

Section 11. Governing Law; Dispute Resolution. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. All disputes among the parties arising out of or relating to this Agreement shall be finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by an arbitral tribunal appointed in accordance with the Rules. The place of arbitration shall be in Hong Kong. The arbitral tribunal shall be composed of three arbitrators. One arbitrator shall be appointed by the Manager, one arbitrator shall be appointed by the Company, and the third arbitrator, who shall serve as chairman of the arbitration tribunal, shall be appointed through the mutual agreement of the other two arbitrators. The arbitrators shall not have the power to add to, subtract from or modify any of the terms or conditions of this Agreement. The resolution of any dispute by the arbitrators pursuant to this Section 15 shall be non-appealable, final, binding and conclusive on the parties to such dispute. The fees and disbursements of the arbitrators shall be allocated to the party against whom any dispute decided hereunder is resolved.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, each of the Manager and Hengshui has hereunto set his hand, and the Company hereto has caused this Agreement to be executed by its duly authorized officer, as of the day and year first above written.

/s/ Vincent T. Mo
Vincent T. Mo

Address: c/o 8th Floor, Tower 3, Xihuan Plaza, No. 1
Xizhimenwai Avenue, Xicheng District,
Beijing 100044 P.R.C.

CNED HENGSHUI ZHONG CHENG WANYUAN HOME CO., LTD.

/s/ Vincent T. Mo
Name: Vincent T. Mo
Title: Chairman

Address: Room 1207, 1988 Yongxingxi Road,
Hengshui 053000 P.R.C.

SOUFUN HOLDINGS LIMITED

By: /s/ Vincent T. Mo
Name: Vincent T. Mo

Title: Chairman

Address: 8th Floor, Tower 3, Xihuan Plaza, No. 1
Xizhimenwai Avenue, Xicheng District,
Beijing 100044 P.R.C.

The Registrant has the following subsidiaries:

SouFun Media Technology (Beijing) Co., Ltd., incorporated in the People's Republic of China
Beijing SouFun Network Technology Co., Ltd., incorporated in the People's Republic of China
Beijing SouFun Information Consultancy Co., Ltd., incorporated in the People's Republic of China
Beijing Zhong Zhi Shi Zheng Information Technology Co., Ltd., incorporated in the People's Republic of China
Shanghai SouFun Information Co., Ltd., incorporated in the People's Republic of China
SouFun Information (Shenzhen) Co., Ltd., incorporated in the People's Republic of China
SouFun Information (Tianjin) Co., Ltd., incorporated in the People's Republic of China
SouFun Information (Guangzhou) Co., Ltd., incorporated in the People's Republic of China
China Index Academy Limited, incorporated in Hong Kong
Bravo Work Investments Limited, incorporated in Hong Kong
Max Impact Investments Limited, incorporated in Hong Kong
Selovo Investments Limited, incorporated in the British Virgin Islands
Pendiary Investments Limited, incorporated in the British Virgin Islands

The Registrant has the following consolidated controlled entities:

Beijing SouFun Internet Information Service Co., Ltd., incorporated in the People's Republic of China
Beijing Jia Tian Xia Advertising Co., Ltd., incorporated in the People's Republic of China
Beijing SouFun Science and Technology Development Co., Ltd., incorporated in the People's Republic of China
Beijing China Index Information Co., Ltd., incorporated in the People's Republic of China
Shanghai Jia Biao Tang Advertising Co., Ltd., incorporated in the People's Republic of China
Shanghai SouFun Advertising Co., Ltd., incorporated in the People's Republic of China
Beijing Century Jia Tian Xia Technology Development Co., Ltd., incorporated in the People's Republic of China
Tianjin Jia Tian Xia Advertising Co., Ltd., incorporated in the People's Republic of China
Shanghai China Index Consultancy Co., Ltd., incorporated in the People's Republic of China
Beijing Li Tian Rong Ze Technology Development Co., Ltd., incorporated in the People's Republic of China
Tianjin Xin Rui Jia Tian Xia Advertising Co., Ltd., incorporated in the People's Republic of China

Consent of Independent Registered Public Accounting Firm

We consent to the references to our firm under the captions “Experts”, “Summary Consolidated Financial Data” and “Selected Consolidated Financial Information”, and to the use of our report dated April 22, 2010, in the Registration Statement (Form F-1) and the related Prospectus of SouFun Holdings Limited dated September 2, 2010.

/s/ Ernst & Young Hua Ming
Shenzhen, the People’s Republic of China
September 2, 2010

WRITTEN CONSENT OF KING & WOOD

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the use of our name under the captions "Risk Factors—Risks Relating to Our Business," "—Risks Relating to Our Corporate Structure," "—Risks Relating to China," "Our History and Corporate Structure," "Enforceability of Civil Liabilities," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry Overview," "Business," "Regulation" and "Taxation" to the extent they constitute matters of PRC law, in the registration statement on Form F-1 dated the date hereof (the "Registration Statement") filed by SouFun Holdings Limited (the "Company") with the U.S. Securities and Exchange Commission, (ii) the references to us under the caption "Experts" in the Registration Statement, and (iii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at 40th Floor, Office Tower A, Beijing Fortune Plaza, 7 Dongsanhuan Zhonglu, Chaoyang District, Beijing 100020, People's Republic of China.

Very truly yours,

/s/ King & Wood

WRITTEN CONSENT OF JONES LANG LASALLE SALLMANNS LIMITED

September 2, 2010

The Directors

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Dear Sirs:

We hereby consent to (i) the references to our name of Jones Lang LaSalle Sallmanns Limited with respect to our appraisal reports addressed to the board of directors of SouFun Holdings Limited (the "Company") in the Company's Registration Statement on Form F-1 dated the date hereof (the "Registration Statement") filed with the U.S. Securities and Exchange Commission, (ii) the references to us under the caption "Experts" in the Registration Statement, and (iii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

In the preparation of our valuation reports, we relied on the accuracy and completeness of the financial information and other data relating to the Company provided to us by the Company and its representatives. We did not audit or independently verify such financial information or other data relating to the Company and take no responsibility for the accuracy of such information. Our valuation reports were used as part of the Company's analysis in reaching the conclusion of value.

Our Hong Kong office is located at 17th Floor, Dorset House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

Yours faithfully,

For and on behalf of
Jones Lang LaSalle Sallmanns Limited

/s/ *Jones Lang LaSalle Sallmanns Limited*

Director

WRITTEN CONSENT OF CR-NIELSEN

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the references to our name of CR-Nielsen, an independent market research and consulting firm, as commissioned by SouFun Holdings Limited (the "Company") to compile various Internet and online marketing industry data used in the Company's Registration Statement on Form F-1 dated the date hereof (the "Registration Statement") filed with the U.S. Securities and Exchange Commission, (ii) the references to us under the caption "Experts" in the Registration Statement, and (iii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at 11th Floor, Tower 1, Xindongan Plaza, 138 Wangfujing Avenue, Beijing 100006, People's Republic of China.

Yours faithfully,

For and on behalf of
CR-Nielsen

/s/ *CR-Nielsen*

Director

WRITTEN CONSENT OF DATA CENTER OF THE CHINA INTERNET

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the references to our name of Data Center of the China Internet, an independent market research and consulting firm, as commissioned by SouFun Holdings Limited (the "Company") to compile various Internet and online marketing industry data used in the Company's Registration Statement on Form F-1 dated the date hereof (the "Registration Statement") filed with the U.S. Securities and Exchange Commission, (ii) the references to us under the caption "Experts" in the Registration Statement, and (iii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at Room 502, Building 16, Jianwai SOHO, No. 39, Dongsanhuanzhong Road, Chaoyang District, Beijing 100020, People's Republic of China.

Yours faithfully,

For and on behalf of
Data Center of the China Internet

/s/ Data Center of the China Internet

Director

WRITTEN CONSENT OF SHENZHEN UNION STRENGTH BUSINESS CONSULTING CO., LTD.

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the references to our name of Shenzhen Union Strength Business Consulting Co., Ltd., an independent initial public offering advisory and risk management consulting firm, with respect to our internal control reports addressed to the board of directors of SouFun Holdings Limited (the "Company") in the Company's Registration Statement on Form F-1 dated the date hereof (the "Registration Statement") filed with the U.S. Securities and Exchange Commission, (ii) the references to us under the caption "Experts" in the Registration Statement, and (iii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at Rooms 1012-1013, Shun Hing Square, Diwang Commercial Center, 5002 Shennan Road East, Shenzhen, Guangdong Province 518008, People's Republic of China.

Yours faithfully,

For and on behalf of
Shenzhen Union Strength Business Consulting Co., Ltd.

/s/ Shenzhen Union Strength Business Consulting Co., Ltd.

Director

Exhibit 23.8

WRITTEN CONSENT OF CCPIT
PATENT & TRADEMARK LAW OFFICE

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the use of our name under the caption "Risk Factors—Risks Relating to Our Business" to the extent they constitute matters of PRC intellectual property law, in the registration statement on Form F-1 dated the date hereof (the "Registration Statement") filed by SouFun Holdings Limited (the "Company") with the U.S. Securities and Exchange Commission and (ii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at 10th Floor, Ocean Plaza, 158 Fuxingmennei Street, Beijing 100031, People's Republic of China.

Very truly yours,

/Seal/ CCPIT Patent & Trademark Law Office

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
P.R.C.

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of SouFun Holdings Limited (the "Company"), effective immediately upon the effectiveness of the Company's registration statement on Form F-1 dated the date hereof filed with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Qian Zhao
Qian Zhao

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
P.R.C.

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of SouFun Holdings Limited (the "Company"), effective immediately upon the effectiveness of the Company's registration statement on Form F-1 dated the date hereof filed with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Hanhui Sun
Hanhui Sun

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwai Avenue
Xicheng District, Beijing 100044
P.R.C.

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of SouFun Holdings Limited (the "Company"), effective immediately upon the effectiveness of the Company's registration statement on Form F-1 dated the date hereof filed with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Jeff Xuesong Leng
Jeff Xuesong Leng

September 2, 2010

SouFun Holdings Limited
8th Floor, Tower 3, Xihuan Plaza
1 Xizhimenwei Avenue
Xicheng District, Beijing 100044
People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of SouFun Holdings Limited (the "Company"), effective immediately upon the effectiveness of the Company's registration statement on Form F-1 dated the date hereof filed with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Thomas Nicholas Hall
Thomas Nicholas Hall

Exhibit 99.1

CODE OF BUSINESS CONDUCT AND ETHICS OF
SOUFUN HOLDINGS LIMITED

I. INTRODUCTION

This Code of Business Conduct and Ethics summarizes long-standing principles of conduct that our company, SouFun Holdings Limited including our subsidiaries and other consolidated entities (the "Company"), follows to ensure our business is conducted with integrity and in compliance with the law. Because our Company is incorporated in Cayman Islands with our American depositary shares ("ADSs") listed on the New York Stock Exchange, Inc. ("NYSE"), and because most of our operations are conducted in the People's Republic of China, we are subject to laws and ethical rules of all these jurisdictions. We expect our directors, officers and senior management (including our Executive Chairman of our Board of Directors ("Chairman"), Chief Executive Officer and President ("CEO"), Chief Financial Officer, Chief Operations Officer and Vice President) (collectively, the "Senior Officers"), all our financial and accounting managers and, to the extent relevant, all our employees to know and follow the policies outlined in this Code of Business Conduct and Ethics. Any employee, director or officer who violates the letter or spirit of these policies is subject to disciplinary action, up to and including termination.

Every employee, director or officer has the responsibility to obey the law and act honestly and ethically. To that end, this Code of Business Conduct and Ethics is a guide intended to sensitize each employee, director or officer to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee, director or officer may confront, nor is it a summary of all laws and policies that apply to our business. This Code of Business Conduct and Ethics is supplemental to other policies, manuals and internal regulations of our Company applicable to all our employees, officers and directors. Ultimately, no Code of Business Conduct and Ethics can replace the thoughtful behavior of an ethical director, officer or employee.

If any employee, director or officer has any questions about this Code of Business Conduct and Ethics or is concerned about conduct s/he believes violates this Code of Business Conduct and Ethics, other policies of our Company or any applicable law, rule or regulation, the employee, director or officer should consult with our CEO and Chairman and, ultimately within the Company, any independent member of the Audit Committee, including the chairman of the Audit Committee, of our Board of Directors. No one at the Company has the authority to make exceptions to these policies, other than our Board of Directors or the Audit Committee of our Board of Directors.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

All employees, directors and officers must comply fully with all applicable PRC, Cayman Islands and U.S. laws, rules and regulations that govern our business conduct, including, without limitation, securities laws, NYSE Listed Company Manual, environmental laws, insider trading laws and the U.S. Foreign Corrupt Practices Act.

If you believe that any of our corporate practices raise questions as to compliance with applicable laws, rules or regulations, please report to or discuss with the contact persons designated in this Code of Business Conduct and Ethics.

III. PROHIBITION AGAINST INSIDER TRADING/INSIDER DEALING

Any employee, director or officer who has access to, or knowledge of, material non-public information from or about the Company is prohibited from buying, selling or otherwise trading in our stock or other securities of our Company. "Material non-public" information includes any information, positive or negative, that has not yet been made available or disclosed to the public and that might be of significance to an investor, as part of the total mix of information, in deciding whether to buy or sell stock or other securities of the Company.

Such insiders also are prohibited from giving "tips" on material non-public information, that is, directly or indirectly disclosing such information to any other person, including family members, other relatives and friends, so that they may trade in our stock or other securities. Furthermore, if, during the course of service with the Company, any employee, director or officer acquires material non-public information about another company, such as one of our customers or suppliers or our affiliates, or learns that the Company is planning a major transaction with another company (such as an acquisition), the employee, director or officer is restricted from trading in the securities of the other company.

IV. CONFLICT OF INTEREST

Business decisions must be made in the best interest of our Company, not motivated by personal interest or gain. Therefore, as a matter of our Company policy, all employees, directors or officers must avoid any actual or perceived conflict of interest.

A "conflict of interest" occurs when an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company as a whole. A conflict of interest situation can arise when an employee, officer or director takes actions or has interests (financial or other) that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also may arise when an employee, officer or director, or a member of his or her family receives improper personal benefits as a result of his or her position in the Company, regardless of whether such benefits are received from the Company or a third party. Loans to, or guarantees of obligations of, employees and their family members are of special concern. United States federal law currently prohibits the Company from making loans to directors and executive officers.

It is difficult to identify exhaustively what constitutes a conflict of interest. For this reason, every employee, director or officer must avoid any situation in which his/her independent business judgment might appear to be compromised. Questions about potential conflicts of interest situations, and disclosure of these situations as they arise, should be addressed and reported to the contact persons designated in this Code of Business Conduct and Ethics.

V. CORPORATE OPPORTUNITIES

All employees, officers or directors are prohibited from: (a) taking for themselves personally opportunities that properly belong to our Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. All employees, officers or directors owe a duty to our Company to advance its legitimate interests when the opportunity to do so arises.

VI. PROTECTION OF CONFIDENTIAL PROPRIETARY INFORMATION

Confidential proprietary information that is generated and gathered in the course of the Company's business is a valid Company asset and protection of this information is vital to the Company's continued growth and ability to compete. As such, all employees, officers or directors should maintain the confidentiality proprietary information entrusted to them by the Company or its customers or suppliers in the strictest confidence, except when disclosure is authorized or legally mandated.

Confidential proprietary information includes all non-public information that might be of use to competitors, or would be harmful to the Company or its customers or suppliers if disclosed, including, without limitation, intellectual property such as our corporate name, logos, trademarks, patents, copyrights, confidential information, records, databases, salary and benefits data, employee medical information, customer, employee and supplier lists, ideas, business, research or new product or service plans, objectives and strategies and any unpublished financial or pricing information. Unauthorized use or distribution of confidential proprietary information violates Company policy and could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions.

Your obligation to protect the Company's confidential proprietary information continues even after you leave the Company and you must return all confidential proprietary information in your possession upon leaving the Company.

VII. PROTECTION AND PROPER USE OF COMPANY ASSETS

Every employee, officer and director is responsible for protecting Company assets against loss, theft or other misuse and ensuring their efficient use. Theft, carelessness and waste have a direct impact on our profitability. Any suspected loss, misuse or theft of our Company assets should be reported to the contact persons designated in this Code of Business Conduct and Ethics. All Company equipment, vehicles, supplies and electronic resources (including hardware, software and the data therein) should be used for legitimate business purposes consistent with Company guidelines.

VIII. FAIR DEALING

Each employee, officer and director of the Company should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The

Company and any employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

Occasional business gifts to and entertainment of non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business but should be given infrequently and be of modest value. Any gifts or form of entertainment that would likely result in a feeling or expectation of personal obligation should not be extended or accepted by the Company or any of its employees, officers or directors.

No gifts or business entertainment of any kind may be given to any government employee without the prior approval of a Senior Officer, as practices that are acceptable in commercial business environments may be against the law or the policies governing national or local government employees.

IX. PUBLIC COMPANY REPORTING

As a result of our status as a public company in the United States, we are required to file periodic and other reports with the U.S. Securities and Exchange Commission (the "SEC"). The Company takes its public disclosure responsibility seriously. To that end in respect of the various disclosure and reporting obligations to which our company is from time to time subject in the United States:

A. each employee, officer and director must take all reasonable steps to ensure that these reports and other public communications furnish the marketplace with full, fair, accurate, timely and understandable disclosure regarding the financial and business condition of our Company;

B. each employee, officer and director must promptly bring to the attention of the contact persons designated in this Code of Business Conduct and Ethics any material information of which such employee, officer and director may become aware that affects the disclosures made by our Company in its public filings or otherwise would assist the Audit Committee of our Board of Directors in fulfilling its responsibilities as specified in applicable securities laws and regulations; and

C. each employee, officer and director must promptly bring to the attention of the contact persons designated in this Code of Business Conduct and Ethics any information he or she may have concerning (i) significant deficiencies in the design or operation of our internal controls that could adversely affect our Company's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material, involving management or other employees who have a significant role in our Company's financial reporting, disclosures or internal controls.

X. REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

Each employee, officer and director has a duty to adhere to this Code of Business Conduct and Ethics. Each employee, officer and director must also promptly bring to the attention of the contact persons designated in this Code of Business Conduct and Ethics any information s/he may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable

to the Company and the operation of its business, by the Company or any agent thereof, or of a violation of this Code of Business Conduct and Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in our Company's financial reporting, disclosures or internal controls. Confidentiality will be maintained to the fullest extent possible.

An employee, director or officer will not be penalized for making a good-faith report of violations of this Code of Business Conduct and Ethics or other illegal or unethical conduct, nor will we tolerate retaliation of any kind against anyone who makes a good-faith report. An employee, director or officer who submits a false report of a violation, however, will be subject to disciplinary action. If you report a violation and in some way also are involved in the violation, the fact that you stepped forward will be considered.

If the result of an investigation indicates that corrective action is required, our Board of Directors will decide, or designate appropriate persons to decide, what actions to take, including, when appropriate, legal proceedings and disciplinary action up to and including termination, to rectify the problem and avoid the likelihood of its recurrence.

XI. RELATIONSHIP TO COMPANY MANUAL

This Code of Business Conduct and Ethics supplements the existing policies and procedures already in place as stated in other Company manuals and communicated to our employees, officers and directors. Certain policies referred to in this Code of Business Conduct and Ethics are contained in their entirety in the other Company manuals. The Company manuals contain information that is proprietary and confidential, and the Company hereby expressly denies waiving any right to assert claims that the contents of such Company manuals are proprietary and/or confidential.

This Code of Business Conduct and Ethics and other Company manuals are statements of goals and expectations for individual and business conduct. They are not intended to, and do not in any way constitute, an employment contract or an assurance of continued employment. The Company does not create any contractual rights by issuing this Code of Business Conduct and Ethics or any Company manual.

XII. AMENDMENT, MODIFICATION AND WAIVER

This Code of Business Conduct and Ethics may be amended or modified by our Board of Directors. Any waiver (whether explicit or implicit) of non-compliance with this Code of Business Conduct and Ethics with respect to an executive officer or director may only be made by our Board of Directors or by a committee of our Board of Directors and must be disclosed to our shareholders in (i) a press release; (ii) the Company's annual report on Form 20-F filed with the SEC; (iii) a Form 6-K furnished to the SEC; or (iv) a statement on our website, www.soufun.com.

XIII. ACKNOWLEDGMENT

Each employee, director or officer is accountable for knowing and abiding by the policies contained in this Code of Business Conduct and Ethics. The Company may require that each employee, director or officer sign an acknowledgment confirming that s/he has received and read this Code of Business Conduct and Ethics, understand, and will comply with such code.

SOUFUN HOLDINGS LIMITED
ANTI-FRAUD AND WHISTLE-BLOWER POLICY

Chapter 1. General Principles

1. ***Overview***. We, SouFun Holdings Limited, have established this Anti-Fraud and Whistle-blower Policy (the "***Anti-Fraud Policy***") as we are committed to the highest possible standards of openness, honesty and accountability in all of our affairs. We are determined to maintain a culture of honesty and opposition to fraud and corruption. Based on this commitment, this Anti-Fraud Policy outlines the principles to which we are committed in relation to preventing, reporting and managing fraud and corruption. Our Anti-Fraud policy reinforces our approach to business dealings by articulating our core values and by setting out the ways in which our employees or members of the public can voice their concerns about suspected fraud or corruption. It also outlines who at our company will deal with such complaints.

2. ***Objectives***. The primary objective of this Anti-Fraud Policy is to prevent fraud, enhance our governance and internal controls, standardize our business activities, maintain integrity in our business dealings, establish procedures and protections that allow our employees and members of the public to act on suspected fraud or corruption with potentially adverse ramifications and to achieve our legitimate business objectives for the benefit of our shareholders.

3. ***Implementation.*** This Anti-Fraud Policy shall be implemented immediately upon its approval and adoption by our Board of Directors. This Anti-Fraud Policy is to be implemented where suspicions of fraud or corruption have been raised.

Chapter 2. Definition and Categories of Fraud

1. ***Definition***. Fraud in this Anti-Fraud Policy is defined as (a) the use of deception with the intention of pursuing personal interests and causing loss to the proper interests of our company, (b) the illegitimate pursuit of inappropriate company interests for personal gain, and (c) the intentional distortion of financial statements or other records by persons internal or external to our company, which is carried out to conceal misappropriation of assets or personal gain.

2. ***Examples of Fraud and Fraudulent Behavior***. Some examples of fraud or fraudulent behavior include:

    - Usurpation of corporate interests for personal gain;
    - Misappropriation of assets, embezzlement and theft;
    - Payment or receipt of bribes, kickbacks or other inappropriate payments;
    - Participation in sham or fraudulent transactions;
    - Deceptive, misleading or false statements about corporate transactions;
    - Forgery or alteration of accounting record or vouchers;
    - Failing to keep confidential trade secrets of our company;

- Non-disclosure of material information needed for an informed investment decision; and
- Other fraud behaviors causing loss to our company interests.

This is not an exhaustive list. If you are in doubt about the seriousness of your concern, advice and guidance can be sought from the Office of the Chief Counsel.

Chapter 3. Oversight and Responsibilities

The Office of the Chief Counsel shall have the primary responsibility for preventing, monitoring and rectifying fraud and potentially fraudulent behavior. The Office of the Chief Counsel shall establish, implement and monitor procedures and controls designed to assess, prevent and remediate fraud and fraudulent behavior and issue periodic reports on the effectiveness of the implementation of this Anti-Fraud Policy. All our divisions and departments ("***Divisions***") shall implement the procedures and controls developed by the Office of the Chief Counsel and periodically issue reports regarding the implementation of this Anti-Fraud Policy to the Office of the Chief Counsel which shall then issue to the Internal Audit Department on a comprehensive report of the implementation and effectiveness of this Anti-Fraud Policy.

Chapter 4. Prevention and Control of Fraud

Managers in each Division ("***Managers***") shall advocate and develop a corporate culture of honesty and integrity, assess the risk of fraud arising in the normal business operations of each Division, establish controls and procedures designed to eliminate the likelihood of fraud and to receive, investigate, report and recommend a remedial course of action in respect to suspected or voiced concerns of fraud or fraudulent behavior.

Managers shall promote a regular corporate culture of honesty and integrity through the following actions and activities:

1) Managers shall lead by example in complying with this Anti-Fraud Policy;
2) Managers shall regularly communicate our message of honesty and integrity with our employees through the Employee Handbook and other written and verbal presentations of the principles underlying this Anti-Fraud Policy;
3) Managers shall conduct periodic meetings to ensure employees attend trainings regarding business ethics and the related laws and regulations;
4) Managers shall notify all direct or indirect interest parties, including external parties (customers, suppliers, supervision authorities and shareholders) regarding this Anti-Fraud Policy and the obligation of the employees to comply therewith;
5) Managers shall notify employees and external third parties of the opportunity and procedures for anonymously reporting wrongdoings and dishonest behavior;

6) In connection with our annual overall risk management assessment process (including the risk assessment for SOX 404 compliance), Managers shall identify and assess the importance and possibility of fraud risk at entity level, in each business department level and at all significant accounts levels. The assessment should include a report disclosing any inaccuracies or misrepresentations in our financial reports, incidents involving embezzlement of company assets, improper income or expenditures and a fraud risk assessment in respect of senior management and our Board of Directors;

7) Periodic reports shall be issued by the Manager of each Division to the Office of the Chief Counsel which shall then issue to the Internal Audit Department regarding the operations of this Anti-Fraud Policy within each such Division;

8) Managers shall establish control procedures to reduce the potential occurrence of fraud through protective approval, authorization and audit checks, segregation of duties, periodic compliance reviews and similar prophylactic measures; and

9) Managers shall perform customary background checks (education, work experience and criminal records) for individuals being considered for employment or for promotion to positions of trust. Formal written documents for background checks shall be retained and filed in employee's record.

Chapter 5. Reporting Fraud or Fraudulent Behavior

1) The Internal Audit Department shall establish and maintain reliable communications channels (telephone hotlines, e-mail and mail) allowing for the anonymous reporting of actual or suspected instances of fraud or fraudulent behavior committed by our company or any of our employees, representatives or advisors. Contact information for the various channels of communication shall be publicized so that actual or suspected cases of fraud or fraudulent behavior and violation of business ethics can be reported.

2) Complaints and concerns relating to instances of actual or suspected instances of fraud or fraudulent behavior or questionable accounting, internal control or auditing matters shall be reportable through the established channels of communications and may be reported on an anonymous basis.

3) The Internal Audit Department shall promptly investigate alleged and/or reported instances of fraud or fraudulent behavior. If any member of our senior management is involved in the alleged and/or reported instances of fraud or fraudulent behavior, a special investigation team shall be organized to conduct an investigation with the assistance of the Internal Audit Department and shall report directly to our Board of Directors.

4) Quarterly reports shall be issued by the Internal Audit Department to the Board of Directors regarding the nature and status of any complaints and/or investigations involving fraud or

fraudulent behavior. Such reports shall be retained and made available in accordance with our customary document retention policies.

Chapter 6. The Internal Audit Department and its Function

1) The Internal Audit Department, which is appointed as our anti-fraud organization, shall implement and execute this Anti-Fraud Policy. Among other things, the Internal Audit Department shall:
   - organize and assist each of the Managers with an annual fraud risk assessment for each Division;
   - perform an independent anti-fraud assessment on each Division;
   - review and assess the establishment and operation of this Anti-Fraud Policy for SOX 404 compliance;
   - receive, assess, investigate and resolve complaints and/or reports of alleged fraud or fraudulent behavior;
   - review and assess reports from our internal auditors, which shall be issued on a quarterly basis; and
   - implement, execute and oversee the operation of the policies and procedures contained in the Anti-Fraud Policy.
2) Annual reports shall be issued by the Internal Audit Department to the Board of Directors regarding the implementation and effectiveness of this Anti-Fraud Policy. Such reports shall be retained and made available in accordance with our customary document retention policies.

Chapter 7. Guidance and Supervision for Anti-Fraud

1) Adequate monetary and human resources shall be committed by our company to implement and maintain the policies and procedures articulated in this Anti-Fraud Plan.
2) The annual report of the Internal Audit Department to the Board of Directors shall address the following:
   - measures taken during the preceding year by Managers to implement the policies and procedures in this Anti-Fraud Policy;
   - the effectiveness of anti-fraud procedures and control policies, including the identification of fraud risk;

- the possibility of management override of controls, or other inappropriate influences over the financial reporting process;
- the status of investigations into alleged fraud and fraudulent behavior;
- review account policies and procedures utilized to detect and eliminate fraud and fraudulent behavior in financial reporting; and
- review significant non-recurring transactions and related party transactions.

Chapter 8. Whistle-blower Policy

1) ***General Policy***. We recognize that the decision to report a concern about suspected fraud or fraudulent behavior can be a difficult one to make. Employees are often the first to realize that there is something seriously wrong within our company. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to our company. They may also fear reprisals, harassment or victimization. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion. We encourage and enable employees, staff and external parties, such as agents, advisors and representatives, to raise serious concerns within our company rather than overlooking a problem or blowing the whistle to the media or other external bodies.

2) ***Confidentiality.*** We will do our best to protect an individual's identity when he or she raises a concern; however, the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.

3) ***Anonymous Allegations*.** Individuals are encouraged to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered and investigated at our discretion. In exercising this discretion, the factors to be taken into account would include: the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.

4) ***Untrue Allegations***. If an allegation is made in good faith, no action will be taken against the originator. If, however, individuals make malicious and false allegations, action may be considered against the individual making the allegation.

5) ***Public Actions***. We encourage members of the public who suspect fraud and corruption to contact our CEO, CFO, the Office of General Counsel, the Internal Audit Department or the Chairman of our Audit Committee.

   For issues raised by employees or members of the public, the action taken by us will depend on the nature of the concern. The matters raised may be investigated internally or be referred to the appropriate authorities. Within 5 working days of a concern being received, the complainant will receive a letter acknowledging that the concern has been received, indicating that the matter

will be addressed, giving an estimate of how long it will take to provide a final response and telling them whether any further investigations will take place.

6) ***Internal Report***. A written report regarding an investigation into an allegation of fraud or fraudulent behavior shall be produced by the Internal Audit Department.

7) ***Remedial Action***. If, after an investigation into the alleged fraud or fraudulent behavior, it is determined that the allegation have merit or are materially true, we reserve the right to take all appropriate actions including terminating the employment of any perpetrators, reporting the fraud or fraudulent activities to appropriate government authorities and pursuing legal actions, both civil and criminal, against the perpetrator.

Chapter 9. Applicable Scope

This Anti-Fraud Policy applies to our company and our affiliates.

Chapter 10. Supplementary Clauses

This Anti-Fraud Policy is effective from August 4, 2010.

Whistleblower hotline:	Chairman of the Audit Committee Tel: +86 139 1181 5937	Mr. Sam Hanhui Sun
	The Internal Audit Department Tel: +86 10 5930 6165	Ms. Ran Huang
Email address:	Chairman of the Audit Committee Email: sunhhsam@msn.com	Mr. Sam Hanhui Sun
	The Internal Audit Department Email: huangran@soufun.com	Ms. Ran Huang

Mail address: Internal Audit Department and/or the Chairman of the Audit Committee
SouFun Holdings Limited, 10th Floor, Tower 3
Xihuan Plaza, No.1 Xizhimenwai Avenue
Xicheng District, Beijing 100044, P.R. China