E-House (China) Holdings Limited

Notice of Fundamental Change

CUSIP No. 26852WAA1/G2952TAA1

August 31, 2016

To the Holders of 2.75% Convertible Senior Notes due 2018 issued by E-House (China) Holdings Limited:

Ladies and Gentlemen:

Reference is made to the Indenture dated as of December 17, 2013 (the “Indenture”) between E-House (China) Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, as issuer (the “Company”), and The Bank of New York Mellon, a national banking association, as trustee (the “Trustee”) relating to the Company’s 2.75% Convertible Senior Notes due 2018 (the “Notes”). Capitalized terms used herein and not otherwise defined shall have the respective meanings accorded to such terms in the Indenture.

This Notice constitutes a Fundamental Change Company Notice and, pursuant to Section 15.02(c) of the Indenture, notice is hereby given that:

(i) The Company entered into that certain Agreement and Plan of Merger, dated as of April 15, 2016, with E-House Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands (“Parent”), and E-House Merger Sub Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of Parent (“Merger Sub”), pursuant to which, effective as of August 12, 2016, Merger Sub merged with and into the Company (the “Merger”). Upon the effectiveness of the Merger, the Company is the surviving corporation and a wholly owned subsidiary of Parent. The Merger constitutes a “Fundamental Change” under and as defined in the Indenture. Pursuant to Section 15.02(a) of the Indenture, upon the occurrence of such Fundamental Change, each Holder has the right, at such Holder’s option, to require the Company to repurchase for cash all of such Holder’s Notes, or any portion thereof that is equal to US$1,000 or an integral multiple of US$1,000, on the Fundamental Change Repurchase Date (as defined below) at the Fundamental Change Repurchase Price (as defined below) and, pursuant to this Notice, the Company shall purchase all such Notes so required to be repurchased by each such Holder, all in accordance with the terms and conditions of the Indenture.

(ii) The date of the Fundamental Change described above is August 12, 2016.

(iii) The last date on which a Holder may exercise the repurchase right pursuant to Section 15 of the Indenture and this Notice is prior to the close of business on October 14, 2016, which is the second Business Day immediately preceding the Fundamental Change Repurchase Date.
(iv) The repurchase price (expressed as a percentage of principal amount) of each Note to be repurchased is cash equal to 100.00% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to, but excluding, the Fundamental Change Repurchase Date (the "Fundamental Change Repurchase Price").

(v) The repurchase date (the "Fundamental Change Repurchase Date") is October 18, 2016.

(vi) The name and address of the Trustee is as follows:

The Bank of New York Mellon, as Trustee and Paying Agent
101 Barclay Street
New York, NY 10286
United States of America
Attention: Corporate Trust Reorg Operation Team

(vii) If a Holder elects to convert its Notes in connection with the Merger, which constitutes a “Make-Whole Fundamental Change” under and as defined in the Indenture, such Holder is entitled, subject to the terms and conditions of the Indenture, to convert such Holder’s Notes into the right to receive US$465.1869 in cash for each US$1,000 principal amount of the Notes held by such Holder, which equal to the product of (x) $6.85, the merger consideration received by holders of the Company’s American depositary shares (each an “ADS”) for each ADS (the “Per ADS Merger Consideration”) and (y) 67.9105, the adjusted Conversion Rate calculated by reference to the formula below:

\[
CR_1 = CR_0 \times (1 + (P \times (c÷t)))
\]

where,

\[
CR_1 = \text{the adjusted Conversion Rate;}
\]

\[
CR_0 = 59.5380, \text{ i.e. the Conversion Rate in effect immediately prior to the Effective Date, which is August 12, 2016;}
\]

\[
P = 30\%, \text{ i.e. the initial conversion premium;}
\]

\[
c = 855, \text{ i.e. the number of days from, and including, the Effective Date, which is August 12, 2016, to, but excluding, the Maturity Date, which is December 15, 2018}
\]

\[
t = 1,824, \text{ i.e. the number of days from, and including, the date the Notes were first issued, which is December 17, 2013, to, but excluding, the Maturity Date, which is December 15, 2018}
\]
A conversion of Notes shall be deemed for these purposes to be “in connection with” the Merger if the relevant Notice of Conversion is received by the Conversion Agent from, and including, August 12, 2016 up to, and including, the second Business Day immediately prior to the Fundamental Change Repurchase Date.

If a Notice of Conversion from a Holder is received by the Conversion Agent after the second Business Day prior to the Fundamental Change Repurchase Date, the Holder, to the extent such Holder has not exercised its right to require the Company to repurchase such Holder’s Notes, will be entitled to convert such Notes into the right to receive $407.8353 in cash for each US$1,000 principal amount of the Notes held by such Holder, which equal to the product of (x) $6.85, the Per ADS Merger Consideration and (y) 59.5380, the initial Conversion Rate as set forth in Section 14.01 of the Indenture.

(viii) No Notice of Conversion with respect to any Notes may be delivered and no Notes may be surrendered by a Holder for conversion thereof if such Holder has also delivered a Fundamental Change Repurchase Notice (as defined below) to the Company in respect of such Notes and not validly withdrawn such Fundamental Change Repurchase Notice in accordance with the terms of the Indenture, including without limitation, Section 15.03 thereof.

(ix) Any repurchase of Notes under Section 15.02 of the Indenture and pursuant to the terms of this Notice shall be made upon, and the receipt by the Holder of the Fundamental Change Repurchase Price therefor is conditioned upon:

(a) delivery to the Paying Agent (with a copy to the Trustee) by a Holder of a duly completed notice (a “Fundamental Change Repurchase Notice”) in the form set forth in Exhibit A attached hereto, if the Notes are Physical Notes, or in compliance with the procedures of the Depositary for surrendering interests in Global Notes, if the Notes are Global Notes, in each case, on or before the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date; and

(b) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer) at the address indicated in paragraph (vi) above, or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depositary.

The Fundamental Change Repurchase Notice in respect of any Notes to be repurchased (whether it is in the form set forth in Exhibit A attached hereto for Physical Notes, or it is in such other form that is in compliance with the procedures of the Depositary for surrendering interests in Global Notes) shall state: (a) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase, or, in the case of Global Notes, the Fundamental Change Repurchase Notice must comply with appropriate Depositary procedures; (b) the portion of the principal amount of Notes to be repurchased, which must be US$1,000 or an integral multiple thereof; and (iii) that the
Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture.

(x) Notwithstanding anything to the contrary in the Indenture or this Notice, any Holder delivering to the Paying Agent (with a copy to the Trustee) the Fundamental Change Repurchase Notice shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date by delivery of a duly completed written notice of withdrawal to the Paying Agent in accordance with Section 15.03 of the Indenture, specifying (a) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted; (b) if Physical Notes have been issued, the certificate number of the Note in respect of which such notice of withdrawal is being submitted, or, in the case of Global Notes, the notice must comply with appropriate Depositary procedures; and (c) the principal amount, if any, of such Note that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in principal amounts of US$1,000 or an integral multiple of US$1,000.

(xi) The Company will deposit with the Trustee at or prior to 10:00 a.m., New York City time, on the Fundamental Change Repurchase Date an amount of money sufficient to repurchase all of the Notes to be repurchased at the appropriate Fundamental Change Repurchase Price. Subject to receipt of funds and/or Notes by the Trustee, payment for Notes surrendered for repurchase (and not withdrawn in accordance with Section 15.03 of the Indenture) will be made on the later of (x) the Fundamental Change Repurchase Date (provided the Holder has satisfied the conditions in Section 15.02 of the Indenture and this Notice) and (y) the time of book-entry transfer or the delivery of such Note to the Trustee by the Holder thereof in the manner required by Section 15.02 of the Indenture and this Notice, as applicable, by mailing checks for the amount payable to the Holders of such Notes entitled thereto as they shall appear in the Note Register; provided, however, that payments to the Depositary shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee.

(xii) If by 10:00 a.m., New York City time, on the Fundamental Change Repurchase Date, the Trustee (or other Paying Agent appointed by the Company) holds money sufficient to make payment on all the Notes or portions thereof that are to be repurchased on the Fundamental Change Repurchase Date, then, with respect to the Notes that have been properly surrendered for repurchase to the Paying Agent (with a copy to Trustee) and not validly withdrawn in accordance with the provisions of the Indenture and this Notice, on the Fundamental Change Repurchase Date, (a) such Notes will cease to be outstanding, (b) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or the Paying Agent) and (c) all other rights of the Holders of such Notes will terminate (other than the right to receive the Fundamental Change Repurchase Price).

(xiii) Upon surrender of a Note that is to be repurchased in part pursuant to Section 15.02 of the Indenture and this Notice, the Company shall execute and
instruct the Trustee who shall authenticate and deliver to the Holder a new Note in an authorized denomination equal in principal amount to the unrepurchased portion of the Note surrendered.

(xiv) No representation is made as to the correctness or accuracy of the CUSIP number listed in this Fundamental Change Company Notice or printed on the Notes.

[Signature page follows]
If you have any questions regarding this notice, please contact either:

**Trustee:**

The Bank of New York Mellon  
101 Barclay Street  
New York, NY 10286  
United States of America  
Attention: Corporate Trust Reorg Operation Team  
Email: CT_REORG_UNIT_INQUIRIES@bnymellon.com

**Company:**

E-House (China) Holdings Limited  
11/F, Yinli Building  
383 Guangyan Road  
Jing’an District, Shanghai 200072  
People’s Republic of China  
Attention: Mr. Xin Zhou  
Email: zhouxin@ehousechina.com

Very truly yours,

E-House (China) Holdings Limited

By:

Name: Bin Laurence  
Title: Chief Financial Officer

[Signature Page to Fundamental Change Company Notice]
To: E-House (China) Holdings Limited

To: The Bank of New York Mellon, as Trustee

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from E-House (China) Holdings Limited (the “Company”) as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered holder hereof in accordance with Section 15.02 of the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is US$1,000 principal amount or an integral multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of Physical Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Certificate Number(s): ________________________________

Dated: __________________________

____________________________________
Signature(s)

____________________________________
Social Security or Other Taxpayer Identification Number

Principal amount to be repurchased (if less than all):

US$ __________,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.