

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **2006-09-15**
SEC Accession No. **0001145549-06-001308**

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SUBJECT COMPANY

51job, Inc.

CIK: **1295484** | IRS No.: **000000000** | State of Incorporation: **E9** | Fiscal Year End: **1231**
Type: **SC 13D** | Act: **34** | File No.: **005-80146** | Film No.: **061092104**
SIC: **7361** Employment agencies

Mailing Address	Business Address
21ST FLOOR, WEN XIN PLAZA 755 WEI HAI ROAD SHANGHAI F4 200041	21ST FLOOR, WEN XIN PLAZA 755 WEI HAI ROAD SHANGHAI F4 200041 8621-3201-4888

FILED BY

Yan Rick

CIK: **1317067**
Type: **SC 13D**

Mailing Address	Business Address
21ST FLOOR, WEN XIN PLAZA 755 WEI HAI ROAD SHANGHAI F4 200041	86-21-32014888 X8909

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

51job, Inc.
(Name of Issuer)

Common Shares
including American Depositary Shares representing Common Shares
(Title of Class of Securities)

316827104
(CUSIP Number)

Rick Yan
21st Floor, Wen Xin Plaza
755 Wei Hai Road
Shanghai 200041
People's Republic of China
Tel: +(86-21) 3201-4888
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

September 5, 2006
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

(Continued on the following pages)

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-
1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Rick Yan

2. Check the Appropriate Box if a Member of a Group (See Instructions) (a) []
(b) []

3. SEC Use Only

4. Source of Funds (See Instructions)

PF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e) []

6. Citizenship or Place of Organization

Hong Kong SAR, People's Republic of China

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7. Sole Voting Power

16,491,818

8. Shared Voting Power

N/A

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

9. Sole Dispositive Power

16,491,818

10. Shared Dispositive Power

N/A

11. Aggregate Amount Beneficially Owned by Each Reporting Person

16,491,818

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares []
(See Instructions)

13. Percent of Class Represented by Amount in Row (11)

29.8%

14. Type of Reporting Person (See Instructions)

IN

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ITEM 1. SECURITY AND ISSUER

This Schedule 13D relates to common shares, par value \$0.0001 per share ("Common Shares"), of 51job, Inc. (the "Issuer"), including Common Shares represented by American depositary shares ("ADSs"). Each ADS represents two Common Shares. ADSs are traded on the Nasdaq Global Market under the symbol "JOBS." The Issuer's principal executive offices are located at 21st Floor, Wen Xin Plaza, 755 Wei Hai Road, Shanghai 200041, People's Republic of China.

ITEM 2. IDENTITY AND BACKGROUND

- (a) This Schedule 13D is being filed by Rick Yan (the "Reporting Person")
- (b) The business address of the Reporting Person is 21st Floor, Wen Xin Plaza, 755 Wei Hai Road, Shanghai 200041, People's Republic of China.
- (c) The present principal occupation of the Reporting Person is Chief Executive Officer and President of the Issuer. The Issuer's principal business is the provision of human resource services. The Issuer's principal executive offices are located at 21st Floor, Wen Xin Plaza, 755 Wei Hai Road, Shanghai 200041, People's Republic of China.
- (d) During the last five years, the Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) During the last five years, the Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which the Reporting Person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The Reporting Person is a citizen of Hong Kong SAR, People's Republic of China.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

(i) 1,070,000 Common Shares, in the form of ADS, were purchased by the Reporting Person in a series of open market purchases using personal funds totaling \$7,730,504.94.

(ii) 565,600 Common Shares were purchased by the Reporting Person in a private sale using personal funds of \$4,185,440.

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ITEM 4. PURPOSE OF TRANSACTION

The Common Shares subject to this filing, including Common Shares in the form of ADS, were purchased for investment purposes. The Reporting Person may purchase from time to time in the open market additional Common Shares in the form of ADSs subject to the Issuer's insider trading policy, relevant securities laws and regulations, market conditions and the availability of personal funds and other investment opportunities. Over the three-year period beginning on June 8, 2006, the Reporting Person may also exercise his right under a stock purchase agreement with Recruit Co., Ltd., described in further detail in Item 6 of this Schedule 13D, to require Recruit in one or more transactions to acquire up to 3,045,703 Common Shares from the Reporting Person. If, as of the end of this three-year period, Recruit has not acquired all of the additional 3,045,703 Common Shares through exercise of the Reporting Person's rights, Recruit has the right and obligation to purchase the remaining shares from the Reporting Person.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

- (a) The Reporting Person beneficially owns 16,491,818 Common Shares, constituting 29.8% of the issued and outstanding share capital of the Issuer based on information reported by the Issuer on its Form 6-K filed with the Securities and Exchange Commission on August 8, 2006.
- (b) The Reporting Person has sole power to vote or to direct the vote, and sole power to dispose or to direct the disposition, of all 16,491,818 Common Shares beneficially owned by the Reporting Person.
- (c) (i) 1,070,000 Common Shares, in the form of ADS, were purchased by the Reporting Person in a series of open market purchases, as follows:

<TABLE>

<CAPTION>

TRANSACTION DATE	NUMBER OF ADSS PURCHASED	COMMON SHARES REPRESENTED BY ADSS PURCHASED	PRICE PER ADS	EQUIVALENT PRICE PER COMMON SHARE
------------------	--------------------------	---------------------------------------------	---------------	-----------------------------------

<S>	<C>	<C>	<C>	<C>
August 14, 2006	10,000	20,000	13.9782	6.9891
August 14, 2006	10,000	20,000	14.1000	7.0500
August 14, 2006	10,000	20,000	14.1000	7.0500
August 14, 2006	10,000	20,000	14.1000	7.0500
August 15, 2006	10,000	20,000	14.1392	7.0696
August 15, 2006	10,000	20,000	14.1377	7.0689
August 15, 2006	10,000	20,000	14.0638	7.0319
August 15, 2006	10,000	20,000	14.1300	7.0650
August 16, 2006	11,000	22,000	14.4238	7.2119
August 16, 2006	10,000	20,000	14.3379	7.1690
August 16, 2006	10,000	20,000	14.1683	7.0842
August 16, 2006	10,000	20,000	14.0755	7.0378
August 21, 2006	5,000	10,000	14.6056	7.3028
August 21, 2006	5,000	10,000	14.5986	7.2993
August 21, 2006	10,000	20,000	14.5476	7.2738
August 21, 2006	5,000	10,000	14.6000	7.3000
August 21, 2006	5,000	10,000	14.5733	7.2867

</TABLE>

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<TABLE>

<S>	<C>	<C>	<C>	<C>
August 22, 2006	4,200	8,400	14.6807	7.3404
August 30, 2006	5,000	10,000	14.8000	7.4000
August 30, 2006	5,000	10,000	14.9986	7.4993
August 30, 2006	5,000	10,000	14.7841	7.3921
August 30, 2006	5,000	10,000	15.0000	7.5000
August 30, 2006	5,000	10,000	14.9864	7.4932
August 30, 2006	5,000	10,000	14.8000	7.4000
August 30, 2006	10,000	20,000	14.8094	7.4047
August 30, 2006	5,000	10,000	14.8686	7.4343
August 30, 2006	5,000	10,000	14.8000	7.4000
August 30, 2006	3,000	6,000	14.7986	7.3993
August 30, 2006	10,000	20,000	14.8118	7.4059
September 1, 2006	10,000	20,000	14.7279	7.3640
September 5, 2006	10,000	20,000	14.8485	7.4243
September 5, 2006	10,000	20,000	14.8000	7.4000
September 5, 2006	30,000	60,000	14.7799	7.3900
September 5, 2006	10,000	20,000	14.8000	7.4000
September 6, 2006	38,000	76,000	14.4900	7.2450
September 6, 2006	25,000	50,000	14.5200	7.2600
September 7, 2006	15,000	30,000	14.3200	7.1600
September 7, 2006	15,000	30,000	14.4300	7.2150
September 7, 2006	18,000	36,000	14.5000	7.2500
September 8, 2006	10,000	20,000	14.2300	7.1150
September 8, 2006	28,000	56,000	14.2800	7.1400
September 11, 2006	8,000	16,000	14.2000	7.1000

September 11, 2006	6,000	12,000	14.1500	7.0750
September 11, 2006	6,000	12,000	14.1300	7.0650
September 11, 2006	6,000	12,000	14.2000	7.1000
September 11, 2006	10,000	20,000	14.1400	7.0700
September 12, 2006	24,800	49,600	14.2900	7.1450
September 12, 2006	10,000	20,000	14.5500	7.2750
September 13, 2006	25,000	50,000	14.5000	7.2500

</TABLE>

(ii) 565,600 Common Shares were purchased by the Reporting Person in a private sale from Wang Tao pursuant to a share purchase agreement, dated as of August 31, 2006, between Wang Tao and RY Holdings Inc. Pursuant to the share purchase agreement, the Reporting Person acquired 565,600 Common Shares from Wang Tao on August 31, 2006 at a price of \$7.40 per Common Share, equivalent to \$14.80 per ADS, the closing price of the ADSs on August 30, 2006.

(d) Not applicable.

(e) Not applicable.

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ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

WANG TAO SHARE PURCHASE AGREEMENT. Pursuant to a share purchase agreement, dated as of August 31, 2006, between Wang Tao, who is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended), and RY Holdings Inc., the Reporting Person acquired in a private sale 565,600 Common Shares from Wang Tao at a price of \$7.40 per Common Share, equivalent to \$14.80 per ADS, the closing price of the ADSs on August 30, 2006. References to and descriptions of the share purchase agreement set forth in this Item 6 are qualified in their entirety by reference to the full text of the agreement, which is attached as Exhibit 99.1 to this Schedule 13D.

RECRUIT STOCK PURCHASE AGREEMENT. On April 5, 2006, certain selling shareholders, including the Reporting Person, entered into a stock purchase agreement with Recruit Co., Ltd. ("Recruit"), pursuant to which Recruit acquired a total of 8,452,918 Common Shares of the Issuer from the selling shareholders, including 2,520,082 Common Shares from the Reporting Person, at a purchase price of \$13.00 per Common Share (the equivalent of \$26.00 per ADS) in a transaction which closed on April 18, 2006.

Under the terms of the stock purchase agreement, over a three-year period commencing on June 8, 2006, the selling shareholders have the option to require Recruit in one or more transactions to acquire up to an additional 14,862,313 Common Shares, including 3,045,703 Common Shares from the Reporting Person. If, as of the end of this three-year period (the "Purchase Period"), Recruit has not acquired all of the additional 14,862,313 Common Shares through exercise of the selling shareholders' rights, Recruit has the right and obligation to purchase

the remaining shares from the selling shareholders. The number of shares that Recruit has the right and obligation to purchase at such time will be reduced by the number of shares, if any, that are offered to Recruit during the Purchase Period pursuant to Recruit's right of first refusal under the stock purchase agreement. The per share price to be paid in connection with exercise of the selling shareholders' rights, and the final purchase at the end of the Purchase Period, if any, will be in the range of \$13.00 and \$25.50 per Common Share, subject to adjustments in certain cases.

The stock purchase agreement includes additional agreements between Recruit and the selling shareholders, including the following:

- each selling shareholder agreed to use its commercially reasonable best efforts in cooperating with Recruit to have a representative of Recruit nominated to stand for election to the Issuer's board of directors and to vote its shares in favor of the election of such nominee at any meeting of the board of directors or shareholders of the Issuer;

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- Recruit agreed that, through the end of the Purchase Period, neither Recruit nor any of its affiliates would, without the prior consent of the Issuer, directly or indirectly, acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any securities of the Issuer, provided that if the Issuer issues additional shares of stock (other than to Recruit), Recruit may purchase up to a number of shares equal to 40% of the shares newly issued by the Company; and
- Recruit agreed not to sell or otherwise transfer any interest in shares purchased under the stock purchase agreement for one year following the date of the purchase of the shares.

In addition, pursuant to an assignment agreement, dated as of April 18, 2006, among Recruit and the selling shareholders, each selling shareholder, including the Reporting Person, assigned to Recruit its registration rights under the investor rights agreement executed between the Issuer and such selling shareholder, and all other registration rights held by such selling shareholder, with respect to its shares sold, or to be sold, to Recruit.

References to and descriptions of the stock purchase agreement and the assignment agreement set forth in this Item 6 are qualified in their entirety by reference to the full text of these agreements, which are attached as Exhibit 99.2 and Exhibit 99.3 to this Schedule 13D.

51JOB 2000 STOCK OPTION PLAN. The Reporting Person is eligible to acquire Common Shares through the exercise of options granted under the Issuer's 2000 Stock Option Plan. As of the date of this Schedule 13D, the Reporting Person holds options to acquire a total of 321,600 Common Shares, of which options to

acquire 60,300 Common Shares are exercisable within 60 days of the date of this Schedule 13D.

Under the Issuer's 2000 Stock Option Plan, the Issuer's directors, officers and other employees and consultants are eligible to acquire Common Shares under options. The total number of authorized shares reserved under the plan is 5,530,578 Common Shares. The plan has a term of ten years but may be terminated earlier by our board of directors.

The compensation committee of the Issuer's board of directors administers the plan. Subject to the provisions of the plan and, in the case of a committee, the specific duties delegated by the board of directors to such committee, and subject to the approval of any relevant authorities, the board of directors or the committee so appointed has the authority in its discretion to determine, among other things, the fair market value of the common shares, select optionees, determine the number of common shares to be covered by each award granted under the plan, and the terms and conditions of any options or stock purchase rights granted under the plan.

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Stock options granted under the plan become exercisable at a rate of not less than 20% per year over five years from the date of the option grant. In the event of the termination of service of an optionee, the unvested portion of a stock option is forfeited and the vested portion terminates within the period of time as specified in the option agreement and, in the absence of a specified time in the option agreement, within twelve months following the optionee's termination in the case of the optionee's disability or death, and three months following the optionee's termination in all other cases.

In the event of a merger of Issuer, each outstanding stock option may be assumed or an equivalent option or right may be substituted by the successor corporation. In the event the successor corporation refuses to assume or substitute for the stock option, the outstanding stock options will automatically vest and become exercisable for a period of 15 days, after which the stock options will terminate.

References to and descriptions of the 2000 Stock Option Plan set forth in this Item 6 are qualified in their entirety by reference to the full text of the plan, which is attached as Exhibit 99.4 to this Schedule 13D.

INVESTOR RIGHTS AGREEMENT. The Reporting Person is entitled to registration rights under an investor rights agreement, dated as of June 5, 2000, between the Issuer, the Reporting Person, three other founders of the Issuer, and certain holders of Series A preference shares whose shares were converted into Common shares at the time of the Issuer's initial public offering. The Reporting Person's shares subject to these registration rights, or registrable securities, consist of the Common Shares held by the Reporting Person at the time of the Issuer's initial public offering and any Common Shares issued or issuable to the Reporting Person since such time, including, but not limited to, Common Shares

underlying stock options and Common Shares issued upon any stock split, stock dividend, recapitalization or similar event. As of the date of this Schedule 13D, the Reporting Person holds registration rights with regard to 15,117,518 Common Shares, including 321,600 Common Shares underlying stock options.

Under the terms of the investor rights agreement, the Issuer is required to effect various types of registrations under the Securities Act of 1933 upon receiving the request of the holders of a certain percentage of the registrable securities, subject to the anticipated net offering price per share and aggregate proceeds exceeding certain levels. The Issuer's obligations to effect such registrations are further subject to certain exceptions and limitations, including if the registrable securities may otherwise be freely sold without registration. The holders of registrable securities also have the right to participate in registrations that the Issuer effects on its own behalf. The Issuer is generally required to bear the expenses of all such registrations, except underwriting discounts and commissions. The Issuer has also agreed to indemnify the holders of registration rights in connection with the inclusion of their Common Shares in any registration.

References to and descriptions of the investor rights agreement and amendment set forth in this Item 6 are qualified in their entirety by reference to the full text of the agreement, which is attached as Exhibit 99.5 to this Schedule 13D.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

99.1 Share Purchase Agreement, dated as of August 31, 2006, between Wang Tao and the Reporting Person.

99.2 Stock Purchase Agreement, dated as of April 5, 2006, among Recruit Co., Ltd., the Reporting Person and the other Sellers named therein.

99.3 Assignment Agreement, dated as of April 18, 2006, among Recruit Co., Ltd., the Reporting Person and the other Sellers named therein.

99.4 2000 Stock Option Plan of the Issuer.

99.5 Investor Rights Agreement, dated as of June 5, 2000, between the Issuer, the Reporting Person and other persons named therein.

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Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

September 15, 2006

Date

/s/ Rick Yan

Signature

Rick Yan

Name/Title

SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT is made as of August 31, 2006 (this "AGREEMENT") between Wang Tao ("TRANSFEROR") and RY Holdings Inc., a limited liability company organized and existing under laws of the British Virgin Islands (the "TRANSFeree").

WHEREAS, the Transferor is the owner of 565,600 common shares, of par value US\$0.0001 per share (the "SHARES"), in the capital of 51job, Inc., a company organized and existing under the laws of the Cayman Islands (together with its successors and assigns, the "COMPANY");

WHEREAS, the Transferor wishes to transfer to the Transferee and the Transferee wishes to receive from the Transferor the Shares in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and intending to be legally bound hereby, the parties hereby agree as follows:

1. PURCHASE OF THE SHARES. (a) Subject to satisfaction of the conditions set forth in Section 2 hereof, effective upon the date hereof, the Transferor shall transfer, at a consideration of US\$4,185,440 (at US\$7.4 per common share, equivalent to US\$14.8 per ADS, the closing price of JOBS on the NASDAQ market on August 30, 2006), the Shares to the Transferee.

(b) The exchange of executed documentation with respect to the transfer of the Shares in accordance with Section 1(a) above shall take place at the offices of the Company in Shanghai or at such other place as may be mutually agreeable to the Transferee and the Transferor (the "CLOSING").

(c) At the Closing, the Transferor shall deliver to the Transferee a duly executed share transfer form, in form and substance conforming to Exhibit A hereto, evidencing the transfer of the Shares.

(d) The Closing should take place on August 31, 2006. The parties agreed that Transferee shall wire the consideration of US\$4,185,440 to the Transferor, or upon the Transferor's request, to the Transferor's employer as an escrow agent, or directly to a charity foundation designated by the Transferor, on or before September 30, 2006.

(e) Subject to the terms and conditions of this Agreement, each of the parties hereto shall use all reasonable efforts to take or cause to be taken all appropriate action, do or cause to be done all things necessary, proper or advisable, and execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make

effective the transactions contemplated by this Agreement.

2. REPRESENTATIONS AND WARRANTIES. The Transferor hereby represents and warrants to the Transferee that, as of the date of this Agreement and the Closing:

(a) The Transferor is a natural person residing in the People's Republic of China with power to own his assets and to conduct his business in the manner presently conducted.

(b) This Agreement has been duly authorized, executed and delivered by the Transferor and constitutes valid and legally binding obligations of the Transferor.

(c) The Transferor has requisite power and authority to execute, deliver and perform this Agreement and transactions contemplated by this Agreement.

(d) The Shares, when delivered pursuant to this Agreement, will have been duly and validly issued, fully-paid and non-assessable.

3. NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 4):

(a) if to the Transferee:

RY Holdings Inc.
c/o 51job, Suite 2602, The Center
99 Queen's Road Central, Hong Kong
E-mail: rick@51job.com
Fax: +86-21-6879 6233

(b) if to the Transferor:

Wang Tao
4F East, No. 6, Denlai Hutong
Guang Nei Da Jie, Xuan Wu District
Beijing, P.R. China
E-mail: tao@51job.com

4. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

5. AMENDMENT. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, the Transferee and the

Transferor.

6. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and

provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

7. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between Transferee and the Transferor with respect to the subject matter hereof.

8. HEADINGS. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

9. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement.

10. SPECIFIC PERFORMANCE. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective representatives thereunto duly authorized.

WANG TAO

/s/ Wang Tao

RY HOLDINGS INC.

By /s/ Rick Yan

Name: Rick Yan

Title: Sole Director

Exhibit A

SHARE TRANSFER FORM

SHARES IN

51JOB, INC.

The undersigned, Wang Tao of 4F East, No. 6, Denlai Hutong, Guang Nei Da Jie, Xuan Wu District, Beijing, P.R. China, hereby transfers, at a consideration of US\$4,185,440, 565,600 common shares, of par value \$0.0001 per share, in the capital of 51job, Inc. to RY Holdings Inc. of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

Dated this 31st day of August 2006.

In the presence of:

Wang Tao

Witness

In the presence of:

RY Holdings Inc.

Witness

STOCK PURCHASE AGREEMENT

Stock Purchase Agreement (this "AGREEMENT"), dated as of April 5, 2006, by and among the parties listed in Schedule 1.1 (collectively, "SELLERS," and each individually a "SELLER") and RECRUIT CO., LTD., a Japanese corporation ("PURCHASER").

WHEREAS, Purchaser wishes to purchase, and Sellers wish to sell, certain common shares of 51job, Inc., a Cayman Islands company (the "COMPANY"), par value US\$0.0001 per share (the "SHARES") as follows:

An aggregate 8,452,918 Shares (the "INITIAL SHARES"), constituting approximately fifteen percent (15%) of the Shares issued and outstanding as of December 31, 2005, in an initial purchase and sale transaction; and

An additional aggregate 14,862,313 Shares (the "FUTURE SHARES"), constituting approximately twenty-five percent (25%) of the Shares issued and outstanding as of December 31, 2005, in one or more transactions over a three-year period following closing of the initial purchase and sale transaction.

WHEREAS, Purchaser and Sellers wish to set forth the terms and conditions for all such purchases and sales;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. INITIAL PURCHASE AND SALE OF SHARES

1.1 Initial Purchase of Shares. Subject to the satisfaction of the conditions set forth in Sections 1.4 and 1.5 below, Sellers hereby agree, severally and not jointly, to convey, transfer and assign, on the terms and conditions set forth herein, to Purchaser, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description, and Purchaser hereby agrees to purchase from Sellers the Initial Shares, with each Seller responsible for the transfer of the number of Shares set forth opposite such Seller's name on attached Schedule 1.1 (the "INITIAL PURCHASE SCHEDULE").

1.2 Purchase Price. The purchase price per Share for the Initial Shares shall be US\$13.00 per Share (US\$26.00 per ADS as quoted on the NASDAQ Global Market), for an aggregate purchase price of US\$109,887,934 for all Initial Shares (the "INITIAL PURCHASE PRICE"). For purposes of this Agreement, the NASDAQ Global Market shall also include any successor market or exchange on or through which the Shares are publicly traded, provided that Purchaser approves

of such successor market or exchange, which approval shall not be unreasonably withheld.

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1.3 Closing Date. Subject to the satisfaction of the conditions set forth in Sections 1.4 and 1.5, the closing of the purchase of the Initial Shares (the "INITIAL CLOSING") shall take place at 10:00 a.m., Japan Time, on April 14, 2006 (the "INITIAL CLOSING DATE") at the offices of Morrison & Foerster, LLP, AIG Building, 11th Floor, 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan, 100-0005, or at such other date and place as is agreed by the Seller Representative (as defined herein) and Purchaser. The Initial Closing Date, each subsequent Settlement Date with respect to Future Shares, the Top-Up Shares Settlement Date and each Offered Shares Settlement Date (all as defined herein), if any, are each referred to herein as a "CLOSING DATE." Notwithstanding the foregoing, if the conditions to Purchaser's obligation to purchase shares have not been satisfied or waived by Purchaser as of such Closing Date, then such Closing Date may be extended for up to fifteen (15) Business Days after the date for such Closing Date specified in this Agreement to permit such conditions to be satisfied or waived. On the Initial Closing Date:

(a) Purchaser shall pay the Initial Purchase Price, in United States dollars ("US\$"), with each Seller receiving the portion of the Initial Purchase Price specified opposite such Seller's name on the Initial Purchase Schedule, by wire transfer of immediately available funds to the accounts, and in accordance with the wire instructions, specified in the Initial Purchase Schedule; and

(b) the Seller Representative shall deliver to Purchaser (i) duly endorsed share certificates representing the Initial Shares, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description (except those arising under this Agreement and applicable securities laws), and endorsed by the transferring Seller in blank, or with stock transfer powers executed by the transferring Seller in blank attached, and (ii) executed cross-receipts acknowledging each Seller's receipt of the portion of the Initial Purchase Price specified on the Initial Purchase Schedule.

1.4 Conditions to the Obligation of Sellers. The obligation of each Seller to sell the Shares that it has agreed to sell to Purchaser at the Initial Closing is subject to the satisfaction, at or before the Initial Closing, of each of the following conditions; provided, that each such condition is for the sole benefit of each Seller, individually, and may be waived by such Seller solely as to such Seller's proposed sale of Shares hereunder, at any time in its sole discretion by causing the Seller Representative to provide Purchaser with written notice thereof; provided further, however, that Purchaser shall not be required to close the Initial Purchase unless all such conditions have either been satisfied in full, or waived by all Sellers:

(a) Purchaser shall have delivered to each Seller the amount set forth opposite such Seller's name on the Initial Purchase Schedule, in accordance with Section 1.3;

(b) The representations and warranties of Purchaser set forth in Section 6 shall be true and correct in all material respects as of the date made and as of the Initial Closing Date as though made at that time, and Purchaser shall have performed, satisfied and complied with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Purchaser at or before the Initial Closing;

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(c) The Purchaser shall have delivered to the Seller Representative a certificate, dated the Closing Date and signed by an authorized officer of the Purchaser, as to the matters set forth in Section 1.4(b); and

(d) The disinterested directors of the Company shall have approved a definitive agreement with respect to a business alliance between Purchaser and the Company, substantially in the form of attached Exhibit A (the "BUSINESS ALLIANCE AGREEMENT") by resolution at a duly held board meeting.

1.5 Conditions to the Obligation of Purchaser. The obligation of Purchaser to purchase the Initial Shares at the Initial Closing is subject to the satisfaction, at or before the Initial Closing, of each of the following conditions by each of the Sellers, provided that these conditions are for Purchaser's sole benefit and may be waived by Purchaser at any time in its sole discretion with respect to any Seller, by providing the Seller Representative with written notice thereof (for the avoidance of doubt, Purchaser shall not be required to purchase any Initial Shares hereunder unless all such conditions are met as to each Seller or are waived by Purchaser as noted above):

(a) The Seller Representative shall have delivered to Purchaser duly endorsed share certificates representing the Initial Shares, in accordance with Section 1.3;

(b) The representations and warranties of each Seller set forth in Section 5 shall be true and correct in all material respects as of the date made and as of the Initial Closing Date as though made at that time and each Seller shall have performed, satisfied and complied with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Seller at or before the Initial Closing;

(c) Purchaser shall have received from the Seller Representative

a certificate, dated the Closing Date and signed by the Seller Representative, as to the matters set forth in Section 1.5(b);

(d) The disinterested directors of the Company shall have approved the Business Alliance Agreement by resolution at a duly held board meeting;

(e) The Company's ADSs, each representing two Shares and listed for trading on the NASDAQ Global Market (the "ADSS") shall continue to be listed on the NASDAQ Global Market in good standing and NASDAQ shall not have taken, or expressed any intention to take, any action to delist the ADSs.

(f) All of the registration rights under Section 2 of each Investor Rights Agreement executed between the Company and each Seller, and all other registration rights held by each Seller with respect to the Shares set forth beside such Seller's name on attached Schedules 1.1 and 2.1 (the "REGISTRATION RIGHTS"), shall have been duly and unconditionally assigned to Purchaser pursuant to an assignment agreement substantially in the form of attached Exhibit B with respect to (i) all Initial Shares, (ii) all Future Shares effective, as to such Future Shares, upon the purchase of such Future Shares by Purchaser pursuant to Section 2 or Section 3 hereof; the Company shall have waived, in writing, the proviso of Section 2.13 of the Investor Rights Agreement which requires that an assignee or transferee acquire at least 25% of the outstanding Shares of the Company in connection with any assignment of Registration Rights; and Purchaser shall be satisfied in its sole discretion that all actions that are necessary or appropriate to effectively assign the Registration Rights to Purchaser shall have been taken.

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(g) Each Seller which is not a natural person shall have obtained any approvals required to consummate its sale of Initial Shares, including without limitation any shareholder or board approvals.

(h) Each Seller shall have obtained consents and approvals of third parties required to consummate its sale of Initial Shares, including any approvals required to be given by the Company.

(i) Purchaser shall have received from the Seller Representative the opinion of counsel for Sellers, dated as of the Initial Closing Date, substantially in the form of attached Exhibit C; provided, however, that the referenced opinion shall not be required with respect to any Seller which is a natural person.

(j) Neither the Company nor any of its material subsidiaries shall be subject to any insolvency proceeding or have had a receiver,

liquidator or administrator appointed over its assets or any part of them.

1.6 Purchase Price Adjustments. All prices to be paid by Purchaser to the Sellers for Shares, and amounts applicable to the determination of such prices, pursuant to Sections 1, 2 and 3 hereof, including the Initial Purchase Price, the Per Share Price, the Floor Price and the Price Cap, shall be equitably adjusted to reflect stock splits, recapitalizations and other similar changes to the capital structure of the Company.

2. FUTURE PURCHASES AND SALES OF SHARES

2.1 Future Sales of Common Shares. Sellers jointly will have the right (the "PUT RIGHT"), but not the obligation, to convey, transfer and assign, on the terms and conditions herein set forth, to Purchaser, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description (except those arising under this Agreement and applicable securities laws), the Future Shares, with each Seller having a Put Right as to the Future Shares set forth opposite such Seller's name on attached Schedule 2.1 (the "FUTURE PURCHASE SCHEDULE"), over the three-year period commencing on the end of the third (3rd) Business Day after the first Reference Period (as defined herein) after the Initial Closing at the price per Share and other terms specified below (such sales, "FUTURE SALES," and the relevant three-year period, the "FUTURE SALES PERIOD"). For the avoidance of doubt, all Put Rights shall expire, and be of no further force or effect, on the expiration of the Future Sales Period.

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2.2 Per Share Price. The purchase price per Share to be paid by Purchaser to Sellers pursuant to Sellers' exercise of the Put Right (the "PER SHARE PRICE") shall be equal to the greater of the following:

(a) 115% of the applicable Reference Price (as defined herein);
and

(b) US\$13.00 per Share (the "FLOOR PRICE"); provided, however, if the closing price for the Shares drops below US\$5.00 per Share for three (3) trading days (US\$10.00 per ADS as quoted on the NASDAQ Global Market) during any Reference Period (as defined below) (a "FLOOR TERMINATION EVENT"), then the Floor Price shall not apply to the immediately following Exercise Period (as defined herein) and the Per Share Price applicable to such Exercise Period shall be 115% of the applicable Reference Price. For the avoidance of doubt, the Floor Price shall apply to each subsequent Exercise Period unless there is a Floor Termination Event with respect to such Exercise Period.

Notwithstanding the foregoing, or anything else contained herein, in no event shall the Per Share Price payable in respect of any Shares under this Agreement

exceed US\$25.50 per Share (US\$51.00 per ADS) (the "PRICE CAP").

2.3 Reference Price. The "REFERENCE PRICE" for the purpose of determining the Per Share Price in any Future Sale shall be the average closing price of one ADS as quoted on the NASDAQ Global Market during the Reference Period, divided by two; provided that, for purposes of determining the Reference Price:

(a) any closing price of one ADS that is more than 130% or less than 70% of the average closing price of one ADS as quoted on the NASDAQ Global Market during such Reference Period will be excluded (in this connection, (i) the average closing price for the relevant Reference Period shall initially be calculated to determine whether any daily closing prices should be excluded, and (ii) if there are any such closing prices they will then be excluded and the average closing price for purposes of this Agreement shall then be recalculated reflecting the exclusion of such closing price(s));

(b) if the closing price of one ADS on the NASDAQ trading day prior to Sellers' exercise of the Put Right is less than 50% of the Reference Price calculated pursuant to Section 2.3(a) multiplied by two, then the Reference Price shall be 125% of such closing price divided by two; and

(c) Purchaser shall reasonably promptly after the end of such Reference Period provide notice to the Seller Representative setting forth the calculation of the Reference Price in reasonable detail, which notice shall be binding absent manifest error.

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2.4 Reference Period.

(a) The period used to determine the Per Share Price applicable to any Future Sale in any Exercise Period shall be the period commencing on and including the third (3rd) NASDAQ trading day after the date on which the Company files with the U.S. Securities and Exchange Commission (the "SEC") a Form 6-K attaching a press release announcing the Company's earnings for the most recently ended fiscal quarter (each, a "FILING DATE"), and ending on and including the fifteenth (15th) NASDAQ trading day immediately following the Filing Date (each such period, a "REFERENCE PERIOD"); provided that the ADSs trade on the NASDAQ Global Market on the final day of the Reference Period.

(b) If for any reason there are no trades in the ADSs reported on the NASDAQ Global Market on the final day of the Reference Period described in Section 2.4(a), the Reference Period will be extended through, and will include, the next NASDAQ trading day that a trade in the ADSs occurs; provided however, that if there are no trades in the ADSs for ten (10)

consecutive trading days (beginning on the final day of the Reference Period), then the Put Right will not be exercisable until the Exercise Period following the next Filing Date.

2.5 Exercise. The Put Right may only be exercised by each Seller (on behalf of itself and each Permitted Transferee (as defined below) of such Seller) by providing Purchaser with a written election to sell (an "ELECTION"), signed by each Seller who will participate in the sale (collectively the "EXERCISING SELLERS" and each, an "EXERCISING SELLER") and specifying the number of Shares to be sold by each Seller, during the three (3) consecutive NASDAQ trading days immediately following the final trading day of the Reference Period (the "EXERCISE PERIOD"), provided that the ADSs trade on the NASDAQ Global Market on the day prior to the Election. If for any reason there are no trades in the ADSs reported on the NASDAQ Global Market on any day during the Exercise Period, the Exercise Period shall be extended until the NASDAQ trading day following the day on which a trade in ADSs occurs (excluding any trades by any party hereto or their affiliates (as defined in Section 7.3)), up to a maximum of ten (10) NASDAQ trading days. An Election, when submitted, shall be irrevocable and binding upon the Exercising Sales Sellers and Purchaser. In no event will the number of Shares specified for sale by an Exercising Seller, together with all Shares previously sold by such Exercising Seller pursuant to an exercise of the Put Right, exceed the number of Shares specified for such Seller in the Future Purchase Schedule and, if it does, the Election in question shall be deemed void and of no effect to the extent of any such excess Shares. Each Election shall specify whether or not the Shares subject to such Election constitute 5% or more of the Shares outstanding on the date of the Election.

2.6 Future Sales Settlement Dates. Future Sales shall settle, in cash:

(a) within ten (10) Business Days after the last day of the relevant Exercise Period if the aggregate Shares put by the Exercising Sellers constitute less than 5% of the Shares outstanding on the date of the relevant Election; and

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(b) within fifteen (15) Business Days after the last day of the relevant Exercise Period if the aggregate Shares put by the Exercising Sellers constitute 5% or more of the Shares outstanding on the date of the relevant Election,

in each case unless otherwise agreed by Purchaser and the Seller Representative on behalf of each Exercising Seller (each, a "SETTLEMENT DATE").

2.7 Form of Payment. On each Settlement Date:

(a) Purchaser shall pay to each Exercising Seller an amount equal to the Per Share Price multiplied by the number of Future Shares to be sold

by such Exercising Seller as specified in the applicable Election (the "PUT PRICE"), by wire transfer of United States dollars in immediately available funds to the accounts, and in accordance with the wire instructions, specified in the applicable Election, and

(b) each Exercising Seller (on behalf of itself and each Permitted Transferee of such Exercising Seller) shall deliver to Purchaser (i) duly endorsed share certificates representing the Future Shares, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description (as defined herein) to be sold by each Exercising Seller to Purchaser, and (ii) an executed cross-receipt acknowledging such Exercising Seller's receipt of the full Put Price for the number of Future Shares purchased by Purchaser from such Exercising Seller at the Settlement Date.

2.8 Conditions to the Obligation of Purchaser with respect to Future Sales. The obligation of Purchaser to purchase each Exercising Seller's Shares from such Exercising Seller at or before any Settlement Date is subject to satisfaction on or prior to the Settlement Date, of each of the following conditions with respect to such Exercising Seller, provided that these conditions are for Purchaser's sole benefit and may be waived by Purchaser at any time in its sole discretion with respect to any Seller, by providing the Seller Representative with written notice thereof (for the avoidance of doubt, Purchaser shall be required to purchase each Exercising Seller's Shares at or before any Settlement Date hereunder so long as each of the following conditions is met or waived as to such Exercising Seller, regardless of whether they are met or waived as to any other Exercising Seller):

(a) The Initial Closing shall have occurred;

(b) The representations and warranties of each Exercising Seller set forth in Section 5 shall be true and correct in all material respects as of the date made and as of the Settlement Date as though made at that time, provided, that the representation and warranty set forth in Section 5.5 shall be deemed true and correct if any material misstatements or omissions in the Public Reports (as defined herein) is corrected in a disclosure filed on Form 6-K or made through a widely disseminated press release at least ten (10) NASDAQ trading days prior to commencement of the applicable Reference Period;

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(c) Such Exercising Seller shall have performed, satisfied and complied with the covenants, agreements and conditions set forth in Sections 4 and 7 and required by this Agreement to be performed, satisfied or complied with by such Exercising Seller at or before the Settlement Date;

(d) The Election of such Exercising Seller shall have been duly provided to Purchaser in accordance with this Agreement;

(e) The ADSs shall continue to be listed on the NASDAQ Global Market in good standing and NASDAQ shall not have taken, or expressed any intention to take, any action to delist the ADSs; and

(f) Neither the Company nor any of its material subsidiaries shall be subject to any insolvency proceeding or has had a receiver, liquidator or administrator appointed over its assets or any part of them.

3. TOP-UP PURCHASE

3.1 Top-Up Shares. If, as of the end of the Future Sales Period, Purchaser has not acquired an additional 14,862,313 Shares through Future Sales, Purchaser shall, on a one-time basis, purchase from Sellers, and in such case Sellers shall sell to Purchaser, up to an additional 14,862,313 Shares, reduced as to each Seller in accordance with this Section 3.1 (the shares to be purchased, the "TOP-UP SHARES", and the purchase and sale of the Top-Up Shares, the "TOP-UP SALE"). For such purposes, each Seller shall be obligated to sell to the Purchaser, and the Purchaser shall be obligated to purchase from each Seller: (1) the number of Shares specified for such Seller in the Future Purchase Schedule, minus (2) the number of Shares sold by such Seller to Purchaser through exercise of the Put Right during the Future Sales Period, minus (3) the number of Shares offered by such Seller and not acquired by Purchaser pursuant to the ROFR during the Future Sales Period.

3.2 Purchaser's Top-Up Obligation. Purchaser's obligation to purchase the Top-Up Shares (the "TOP-UP OBLIGATION") shall be exercised on the third (3rd) Business Day immediately following the expiration of the last Exercise Period at the end of the Future Sales Period (the "TOP-UP NOTICE DATE"), and the Per Share Price payable by Purchaser for the Top-Up Shares shall be the Floor Price; provided, however, if a Floor Termination Event occurs with respect to the immediately preceding Exercise Period, then the Floor Price shall not apply, and the Per Share Price applicable to such Top-Up Shares shall be 115% of the applicable Reference Price, subject to the Price Cap. Purchaser shall provide Seller Representative written notice of the Top-Up Notice Date at least fifteen (15) Business Days prior to such date.

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3.3 Top-Shares Settlement Date. Prior to the Top-Up Notice Date, the Seller Representative shall provide Purchaser with a schedule (the "TOP-UP SHARE SCHEDULE") setting forth the number of Top-Up Shares to be sold by each Seller, including the calculation of the Shares to be sold by each Seller and the total number of Top-Up Shares, in reasonable detail. Purchaser's purchase of the Top-Up Shares shall settle, in cash, on the date (the "TOP-UP SHARES SETTLEMENT DATE") that is fifteen (15) Business Days after the Seller Representative

provides the Top-Up Share Schedule to Purchaser, subject to extension of the Top-Up Shares Settlement Date for up to fifteen (15) Business Days pursuant to Section 1.3 hereof.

3.4 Form of Payment. On the Top-Up Shares Settlement Date:

(a) Purchaser shall pay to each Seller an amount equal to the Per Share Price multiplied by the number of Shares to be sold by such Seller as specified in the Top-Up Share Schedule, by wire transfer of United States dollars in immediately available funds to the accounts, and in accordance with the wire instructions, specified in the Top-Up Share Schedule (the "TOP-UP SHARES CONSIDERATION"); and

(b) each Seller (on behalf of itself and each Permitted Transferee of such Seller) shall deliver to Purchaser (i) duly endorsed share certificates representing the Top-Up Shares to be sold by such Seller to Purchaser, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description, and endorsed by such Seller in blank, or with stock transfer powers executed by the Sellers in blank attached, and (ii) a cross-receipt acknowledging such Seller's receipt of the Top-Up Shares Consideration at the Top-Up Shares Settlement Date for the Top-Up Shares purchased by Purchaser from such Seller.

3.5 Conditions to the Obligation of Purchaser with respect to Top-Up Shares. The obligation of Purchaser to purchase Top-Up Shares from Sellers is subject to satisfaction at or prior to the Top-Up Shares Settlement Date, of each of the following conditions, provided that these conditions are for Purchaser's sole benefit and may be waived by Purchaser at any time in its sole discretion with respect to any Seller, by providing the Seller Representative with written notice thereof (for the avoidance of doubt, Purchaser shall be required to purchase each Seller's Top-Up Shares so long as each of the following conditions is met or waived as to such Seller, regardless of whether they are met or waived as to any other Seller):

(a) The Initial Closing shall have occurred;

(b) The representations and warranties of such Seller set forth in Section 5 shall be true and correct in all material respects as of the date made and as of the Top-Up Shares Settlement Date as though made at that time, provided, that the representation and warranty set forth in Section 5.5 shall be deemed true and correct if any material misstatements or omissions in the Public Reports is corrected in a disclosure filed on Form 6-K or made through a widely disseminated press release at least ten (10) NASDAQ trading days prior to commencement of the final Reference Period;

(c) Such Seller shall have performed, satisfied and complied with the covenants, agreements and conditions set forth in Sections 4 and 7 and required by this Agreement to be performed, satisfied or complied with by such Seller at or before the Top-Up Shares Settlement Date;

(d) The Top-Up Share Schedule shall have been duly provided to Purchaser in accordance with this Agreement;

(e) The ADSs shall continue to be listed on the NASDAQ Global Market in good standing and NASDAQ shall not have taken, or expressed any intention to take, any action to delist the ADSs;

(f) Neither the Company nor any of its material subsidiaries shall subject to any insolvency proceeding or has had a receiver, liquidator or administrator appointed over its assets or any part of them.

4. RESTRICTION ON TRANSFER; RIGHT OF FIRST REFUSAL

4.1 General. Before a Seller may sell, assign, encumber, hypothecate, pledge, convey in trust, gift, or otherwise transfer or dispose in any manner, including but not limited to transfers to receivers, creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, directly or indirectly (each, a "TRANSFER") any of its Shares other than in the Initial Sale, any Future Sales, the Top-Up Sale or with respect to sales of Shares pursuant to a written plan for trading Shares in accordance with Rule 10b5-1 (a "10B5-1 PLAN") promulgated under the U.S. Securities Act of 1933 (the "1933 ACT"), such Seller must comply with the provisions of this Section 4; provided, that such Seller may Transfer Shares: (a) acquired following the Initial Sale; or (b) (i) to any spouse or member of such Seller's immediate family, or (ii) to a custodian, trustee (including a trustee of a voting trust), executor, or other fiduciary solely for the account of such Seller's spouse or members of such Seller's immediate family, or to a trust for such Seller's sole benefit; provided, however, that in the event of any transfer made pursuant to one of the exemptions provided by clause (b), (i) the Seller shall inform Purchaser of such Transfer prior to effecting it, and (ii) each such transferee or assignee (each, a "PERMITTED TRANSFEREE"), prior to the completion of the Transfer, shall have executed documents reasonably acceptable to Purchaser assuming the obligations of the Seller under this Agreement with respect to the transferred Shares. Such transferred Shares shall remain "Shares" hereunder, and such Permitted Transferee shall be treated as a "Seller" for purposes of this Agreement. For the avoidance of doubt, the provisions of this Section 4 apply only to the Initial Shares and the Future Shares held by the Sellers and not any other Shares held by the Sellers.

4.2 Notice of Proposed Transfer. Prior to any Seller making a Transfer of any of its Shares to a party other than Purchaser, such Seller shall deliver to Purchaser a written notice (the "TRANSFER NOTICE") in the form of attached Exhibit D, stating:

(i) Seller's bona fide intention to Transfer such Shares; (ii) the name and address of each proposed purchaser or other transferee (the "PROPOSED TRANSFEREE") or, if applicable, that Seller plans to sell its shares in a market transaction; (iii) the aggregate number of Shares proposed to be Transferred to each Proposed Transferee (the "OFFERED SHARES"); and (iv) the bona fide cash price, the actual market price at the time of the Transfer Notice or, in reasonable detail, other consideration for which Seller proposes to Transfer the Offered Shares (the "OFFERED PRICE;" provided, that if a sale of the Offered Shares is pursuant to a market transaction, the "Offered Price" shall be the actual market price of the Offered Shares pursuant to Section 4.3).

4.3 Right of First Refusal.

(a) For a period of thirty (30) days (the "ROFR EXERCISE PERIOD") after the date on which the Transfer Notice is deemed to have been delivered to Purchaser, Purchaser shall have the right to purchase all or any part of the Offered Shares on the terms and conditions set forth in the Transfer Notice (the "ROFR") by delivering written notice to the Seller Representative stating Purchaser's intent to exercise the ROFR and the number of Offered Shares it desires to purchase pursuant to the ROFR (the "ROFR NOTICE"). If Purchaser does not deliver a ROFR Notice within the ROFR Exercise Period as to all the Offered Shares, the Seller may Transfer the Offered Shares that Purchaser has not elected to purchase, during the thirty (30) day period after the expiration of the ROFR Exercise Period, for the Offered Price per Share and on the other terms set forth in the Transfer Notice and not otherwise. Notwithstanding the foregoing, if the Transfer Notice states that the Seller plans to sell the Shares in a market transaction, then the Seller may sell the Shares in a market transaction at the prevailing market price at the time of the sale during such thirty (30) day period.

(b) In the event that Purchaser delivers written notice to the Seller Representative stating Purchaser's intent to exercise the ROFR but refuses to complete the purchase of the Offered Shares as a result of the failure of any of the conditions set forth in Sections 4.8(b), (d) or (e) to be satisfied on or prior to the Offered Shares Settlement Date (as defined herein), the Seller may Transfer the Offered Shares that Purchaser has refused to purchase during the thirty (30) day period after the Offered Shares Settlement Date, for the Offered Price per Share and on the other terms set forth in the Transfer Notice or, if the relevant Transfer Notice states that the Seller plans to sell the Shares in a market transaction, then the Seller may sell the Shares in a market transaction at the prevailing market price at the time of the sale during such thirty (30) day period.

4.4 Purchase Price. The purchase price for any purchase of Offered Shares pursuant to an exercise of the ROFR will be the Offered Price, provided, that if

the Transfer Notice states that the Seller plans to sell the Shares in a market transaction, the Offered Price shall be one half (1/2) the closing price of one ADS on the date such Transfer Notice is delivered to Purchaser. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Seller and Purchaser in good faith, which determination will be binding upon the Seller and Purchaser, absent fraud or manifest error.

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4.5 ROFR Settlement Date. Upon any exercise of the ROFR, Purchaser shall purchase from the relevant Seller, and the relevant Seller shall sell and transfer to Purchaser, the Shares subject to the ROFR Notice, ten (10) Business Days after the delivery of the ROFR Notice (the "OFFERED SHARES SETTLEMENT DATE").

4.6 Form of Payment. On the Offered Shares Settlement Date:

(a) Purchaser shall pay to the relevant Seller an amount equal to the Offered Price per Share multiplied by the number of Shares to be sold by such Seller as specified in the Transfer Notice, by wire transfer of United States dollars in immediately available funds to the accounts, and in accordance with the wire instructions specified in the Transfer Notice (the "ROFR PURCHASE PRICE"); and

(b) the Seller Representative shall deliver to Purchaser (i) duly endorsed share certificates representing the Offered Shares to be sold by Seller to Purchaser, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description, and endorsed by the Seller in blank, or with stock transfer powers executed by the Seller in blank attached, and (ii) a cross-receipt acknowledging the Seller's receipt of the ROFR Purchase Price on the Offered Shares Settlement Date.

4.7 Adjustments with respect to exercise of ROFR. Any Shares acquired by Purchaser through the exercise of the ROFR and any Shares sold by a Seller to a third party after complying with the ROFR shall reduce, on a one-for-one basis, Purchaser's obligation to purchase Future Shares and Top-Up Shares, as the case may be.

4.8 Conditions to the Obligation of Purchaser with respect to Offered Shares. The obligation of Purchaser to purchase the Offered Shares on any Offered Shares Settlement Date is subject to satisfaction on or prior to such date, of each of the following, provided that these conditions are for Purchaser's sole benefit and may be waived by Purchaser at any time in its sole discretion with respect to any Seller, by providing the Seller Representative with written notice thereof:

(a) The Seller shall have delivered to Purchaser duly endorsed share certificates representing the Offered Shares, in accordance with Section 1.3;

(b) The representations and warranties of such Seller set forth in Section 5 shall be true and correct in all material respects as of the date made and as of the Offered Shares Settlement Date as though made at that time; provided, that the representation and warranty set forth in Section 5.5 shall be deemed true and correct if any material misstatements or omissions in the Public Reports is corrected in a disclosure filed on Form 6-K or made through a widely disseminated press release at least ten (10) NASDAQ trading days prior to delivery of the Transfer Notice;

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(c) Such Seller shall have performed, satisfied and complied with the covenants set forth in Sections 4 and 7 and the agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Seller at or before the Offered Shares Settlement Date;

(d) The ADSs shall continue to be listed on the NASDAQ Global Market in good standing and NASDAQ shall not have taken, or expressed any intention to take, any action to delist the ADSs; and

(e) Neither the Company nor any of its material subsidiaries shall subject to any insolvency proceeding or has had a receiver, liquidator or administrator appointed over its assets or any part of them.

5. SELLERS' REPRESENTATIONS AND WARRANTIES

As material inducement to Purchaser to enter into this Agreement and to close each purchase and sale hereunder, each Seller hereby makes the following representations, warranties and agreements to and with Purchaser as of the date hereof and as of the each Closing Date:

5.1 Authorization, etc. Such Seller has full power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by such Seller, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite corporate action of such Seller, if applicable. Each such Seller has duly executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of each Seller enforceable against such Seller in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other

equitable remedies.

5.2 No Conflicts, etc.

(a) The execution, delivery and performance of this Agreement by such Seller, and the consummation of the transactions contemplated hereby, do not and will not conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time or both), create in any other person a right or claim of termination or amendment, or require modification, acceleration or cancellation of, or result in the creation of any lien, security interest, pledge, claim or encumbrances of any kind, nature or description (or any obligation to create any such lien or encumbrance) upon any of the properties or assets of such Seller under, any law applicable to such Seller or any of its properties or assets, any provision of any of the organizational documents of such Seller or any contract, or any other agreement or instrument to which such Seller is a party or by which any of its properties or assets may be bound.

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(b) No filing with, or consent, approval, authorization, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the performance by such Seller of its obligations hereunder or in connection with the sale and delivery of the Shares hereunder or the consummation of the transactions contemplated by this Agreement, except such as (i) may have previously been made or obtained and remain in effect and (ii) as may be required pursuant to Sections 13(d) and 16(a) under the U.S. Securities Exchange Act of 1934 (the "1934 ACT").

5.3 Corporate Status. In the case such Seller is not a natural person, it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has full power and authority to, conduct its business and to own or lease and to operate its properties as and in the places where such business is conducted and such properties are owned, leased or operated.

5.4 Title to Shares. Each Seller owns, legally and beneficially, all of the Shares it may sell, either directly or through a wholly owned holding company. Upon the delivery of and payment for such Shares at a Closing as provided for in this Agreement, Purchaser will acquire good and valid title to all of such Shares that Purchaser is entitled to receive from such Seller in accordance with the terms of this Agreement, free and clear of all liens, security interests, pledges, claims and encumbrances of every kind, nature and description.

5.5 Public Reports; Financial Statements. To such Seller's knowledge, as of the respective dates of their filing, all reports, registration statements and

other filings (including all documents incorporated by reference therein but excluding exhibits and schedules thereto), together with any amendments thereto, publicly filed by the Company with any governmental authority since July 7, 2004 (the "PUBLIC REPORTS"), complied, and all such reports, registration statements and other filings to be publicly filed by the Company with any governmental authority prior to a Closing Date will comply, in all material respects with the applicable requirements of all laws applicable to the Company or to its securities, properties or business. To such Seller's knowledge, the Public Reports did not at the time they were filed with the applicable governmental authority, or will not at the time they are filed with the applicable governmental authority, 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 are made, not misleading. For purposes of this Section 5.5, "knowledge" means with respect to any fact, circumstance, event or other matter in question, the actual knowledge of such fact, circumstance, event or other matter by (i) such Seller, if such Seller is an individual, and (ii) Katsujin David Chao, if such Seller is an entity affiliated with Doll Capital Management. The representation and warranty in this Section 5.5 shall not apply to any individual who is not a director, chief executive officer or chief financial officer of the Company.

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6. PURCHASER'S REPRESENTATIONS AND WARRANTIES

Purchaser hereby represents and warrants to each Seller, as of the date hereof and as of each Closing Date that:

6.1 Authorization, etc. Purchaser has full power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Purchaser, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite corporate action of Purchaser. Purchaser has duly executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

6.2 No Conflicts, etc.

(a) The execution, delivery and performance of this Agreement by Purchaser, and the consummation of the transactions contemplated hereby, do not and will not conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time or both), create in any other person a right or claim of termination

or amendment, or require modification, acceleration or cancellation of, or result in the creation of any lien (or any obligation to create any lien) upon any of the properties or assets of Purchaser under, any law applicable to Purchaser or any of its properties or assets, any provision of any of the organizational documents of Purchaser or any contract, or any other agreement or instrument to which Purchaser is a party or by which any of its properties or assets may be bound.

(b) No filing with, or consent, approval, authorization, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the performance by Purchaser of its obligations hereunder or in connection with the purchase of Shares hereunder or the consummation of the transactions contemplated by this Agreement, except such as may have previously been made or obtained.

6.3 Corporate Status. Purchaser is a corporation duly organized and validly existing under the laws of Japan, and has full power and authority to, conduct its business and to own or lease and to operate its properties as and in the places where such business is conducted and such properties are owned, leased or operated.

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6.4 Investment Purpose. Purchaser is acquiring the Shares for its own account and not with a view toward, or for resale in connection with, the sale or distribution thereof; provided, however, that by making the representations herein, Purchaser does not agree to hold the Shares for any minimum or other specific term, and reserves the right to dispose of the Shares at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act.

6.5 Sophistication of Purchaser. By reason of its business or financial experience, Purchaser is capable of evaluating the risks and merits of an investment in the Company and of protecting its own interests in connection with this investment.

6.6 Accredited Investor Status. Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the 1933 Act.

6.7 Reliance on Exemptions. Purchaser understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that Sellers are relying in part upon the truth and accuracy of, and Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of Purchaser to acquire the

Shares.

6.8 No Governmental Review. Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the fairness or suitability of the investment in the Shares, nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

6.9 Transfer or Resale. Purchaser understands that the Shares have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless subsequently registered thereunder or sold, assigned or transferred pursuant to an exemption from registration under the 1933 Act.

6.10 Legends. Purchaser understands that until such time as the sale of the Shares have been registered under the 1933 Act, the share certificates representing the Shares shall, bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such share certificates):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

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The legend set forth above shall be removed in respect of the Shares and the Company's transfer agent shall issue a share certificate without such legend to the holder thereof, unless otherwise required by state securities laws, if (i) such Shares are registered for resale under the 1933 Act and such shares will be sold in compliance with applicable prospectus delivery requirements, (ii) in connection with a sale transaction, such holder provides the Company with an opinion of counsel, in a generally acceptable form, to the effect that a public sale, assignment or transfer of the Shares may be made without registration under the 1933 Act, or (iii) such holder provides the Company with reasonable assurance that the Shares, will be sold, assigned or transferred pursuant to Rule 144.

7. COVENANTS

7.1 Best Efforts. Each party shall use its commercially reasonable best efforts to timely satisfy each of the conditions to be satisfied by it as

provided in Sections 1.4 and 1.5 of this Agreement.

7.2 Purchaser's Appointee to the Company's Board of Directors. Each Seller shall use its commercially reasonable best efforts in cooperating with Purchaser to have a representative of Purchaser (the "NOMINEE") nominated to stand for election to the Company's board of directors. Each Seller furthermore agrees to vote all of its Shares in favor of the election of the Nominee to the Company's board of directors at any annual or extraordinary general meetings of members of the Company at which the Nominee may stand for election for the duration of this Agreement.

7.3 Standstill. From the date hereof through the expiration of the Future Sales Period, Purchaser hereby agrees that neither the Purchaser nor any of its affiliates will, without the prior written consent of the Company, directly or indirectly, acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any securities of the Company or of any successor to or person in control of the Company. The term "person" as used in this Section 7.3 shall be broadly interpreted to include, without limitation, the media and any corporation, company, group, partnership or individual. The term "affiliate" as used in this Section 7.3 shall mean, with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the specified person. The term "control" shall mean the possession, direct or indirect, 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. Notwithstanding the foregoing, if the Company issues Shares (other than to Purchaser), Purchaser may, without the Seller Representative's approval, purchase up to a number of Shares equal to 40% of the Shares so newly issued by the Company.

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7.4 Lock-Up. Purchaser shall not sell or otherwise transfer an interest in any Shares purchased hereunder for one (1) year following the date of purchase pursuant to this Agreement (the "LOCK-UP PERIOD"). Upon the expiration of the Lock-Up Period, Purchaser shall agree not to sell or otherwise transfer an interest in any Shares owned or controlled by Purchaser except pursuant to a public offering of securities registered pursuant to a registration statement in compliance with the 1933 Act, or pursuant to an exemption from registration, for the duration of the Future Sales Period.

8. INDEMNIFICATION

8.1 Indemnification of Purchaser. In consideration of Purchaser's execution and delivery of this Agreement and acquiring the Shares thereunder from Sellers, each Seller, severally and not jointly, shall defend, protect, indemnify and hold harmless Purchaser and all of its shareholders, officers, directors, employees and direct or indirect investors and any of the foregoing persons'

agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "PURCHASER INDEMNITEES") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Seller Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "PURCHASER INDEMNIFIED LIABILITIES"), incurred by any Purchaser Indemnitee as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by such Seller in this Agreement, or (ii) any breach by such Seller of any covenant, agreement or obligation of such Seller contained in this Agreement. To the extent that the foregoing undertaking by such Seller may be unenforceable for any reason, Sellers shall make the maximum contribution to the payment and satisfaction of each of the Purchaser Indemnified Liabilities that is permissible under applicable law. Notwithstanding the foregoing, the liability of each Seller under this Section 8 for indemnification or contribution with respect to Purchaser Indemnified Liabilities shall be limited to an amount equal to the net proceeds received by such Seller from the sale of the Shares sold by such Seller in transactions made pursuant to this Agreement during the twelve (12) month period ending on the date on which Purchaser makes a claim for indemnification for such Purchaser Indemnified Liabilities; provided, that such twelve (12) month limitation shall not apply to Purchaser Indemnified Liabilities resulting from, arising out of, or relating to any breach by any Seller of the representations and warranties set forth in Sections 5.1 or 5.4. Indemnification and/or contribution of Purchaser pursuant to this Section 8.1 shall be the exclusive remedy of Purchaser for money damages as a result, or arising out of, or relating to, (i) any misrepresentation or breach of any representation or warranty made by such Seller in this Agreement or (ii) any breach by Sellers of any covenant, agreement or obligation of such Seller contained in this Agreement.

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8.2 Indemnification of Sellers. Purchaser agrees to indemnify and hold harmless each Seller and all of its shareholders, officers, directors, employees and direct or indirect investors and any of the foregoing persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "SELLER INDEMNITEES"), from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Seller Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "SELLER INDEMNIFIED LIABILITIES"), incurred by any Seller Indemnitee as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by Purchaser in this Agreement, or (ii) any breach by Purchaser of any covenant, agreement or obligation of Purchaser

contained in this Agreement. To the extent that the foregoing undertaking by Purchaser may be unenforceable for any reason, Purchaser shall make the maximum contribution to the payment and satisfaction of each of the Seller Indemnified Liabilities that is permissible under applicable law. Notwithstanding the foregoing, the liability of Purchaser under this Section 8 for indemnification or contribution with respect to any Seller Indemnified Liabilities shall be limited to an amount equal to the net proceeds paid by Purchaser in transactions made pursuant to this Agreement during the twelve (12) month period ending on the date on which any Seller makes a claim for indemnification for such Seller Indemnified Liabilities. Indemnification and/or contribution pursuant to this Section 8 shall be the exclusive remedy of Sellers for money damages as a result, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by Purchaser in this Agreement of (ii) any breach by Purchaser of any covenant, agreement or obligation of Purchaser contained in this Agreement.

8.3 Actions against Parties; Notification. Each indemnified party shall give notice (in accordance with the terms of this Agreement) as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this Section 8. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. In addition, the indemnifying party shall be entitled, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense of any claim or action brought against an indemnified party with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action and the appointment of reasonably satisfactory counsel, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 8 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by

or on behalf of any indemnified party.

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9. GOVERNING LAW; MISCELLANEOUS

9.1 Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the courts sitting in the State of New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

9.2 Dispute Resolution. The parties shall attempt to resolve all disputes between the parties arising out of or relating to this Agreement and all related agreements, collectively or separately, amicably through good faith discussions upon the written request of any party. In the event that any such dispute cannot be resolved thereby within a period of sixty (60) days after such notice has been given (the last day of such sixty (60) day period being herein referred to as the "ARBITRATION DATE"), such dispute shall be finally settled by arbitration in San Francisco, California, using the English language in accordance with the Arbitration Rules and Procedures of JAMS then in effect, by one or more commercial arbitrator(s) with substantial experience in resolving complex commercial contract disputes, who may or may not be selected from the appropriate list of JAMS arbitrators. If the Parties cannot agree upon the number and identity of the arbitrators within fifteen (15) days following the Arbitration Date, then a single arbitrator shall be selected on an expedited basis in accordance with the Arbitration Rules and Procedures of JAMS. Any arbitrator so selected shall have substantial experience in commercial transactions. The arbitrator(s) shall have the authority to grant specific

performance and to allocate between the parties the costs of arbitration (including service fees, arbitrator fees and all other fees related to the arbitration) in such equitable manner as the arbitrator(s) may determine. The prevailing party in the arbitration shall be entitled to receive reimbursement of its reasonable expenses (including reasonable attorneys' fees, expert witness fees and all other expenses) incurred in connection therewith. Judgment upon the award so rendered may be entered in a court specified in Section 9.1 or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. Notwithstanding the foregoing, each Party shall have the right to institute an action in a court specified in Section 9.1 for preliminary injunctive relief pending a final decision by the arbitrator(s), provided that a permanent injunction and damages shall only be awarded by the arbitrator(s).

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9.3 Business Day. As used in this Agreement, "BUSINESS DAY" means any day other than Saturday, Sunday or other day on which commercial banks in both the People's Republic of China and Tokyo, Japan are authorized or required by law to remain closed.

9.4 Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

9.5 Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

9.6 Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between Purchaser, on the one hand, and any of Sellers, their affiliates and persons acting on their behalf, on the other hand, with respect to the matters discussed herein, and this Agreement contains the entire understanding of the parties with respect to the matters covered herein. No provision of this Agreement may be amended other than by an instrument in writing signed by Sellers and Purchaser.

9.7 Expenses. None of Sellers has dealt with any broker, finder, commission agent or other person in connection with the transactions contemplated herein and none of Sellers is under any obligation to pay any broker's fee or commission in connection with the transactions contemplated herein. Except as otherwise set forth in this Agreement, each party to this Agreement shall bear its own expenses in connection with the sale and purchaser of Shares.

9.8 Seller Representative.

(a) Each Seller hereby authorizes, directs and appoints Katsujin David Chao to act as sole and exclusive agent, attorney-in-fact and representative of such Seller (the "SELLER REPRESENTATIVE"), and authorized and directs the Seller Representative to (i) take any and all actions (including without limitation executing and delivering any documents, incurring any costs and expenses for the account of such Seller and making any and all determinations) which may be required or permitted by this Agreement to be taken by such Seller or Sellers, (ii) exercise such other rights, power and authority as are authorized, delegated and granted to the Seller Representative hereunder in connection with the transactions contemplated hereby, (iii) exercise such rights, power and authority as are incidental to the foregoing, and (iv) give and receive any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement. Any such actions taken, exercises of rights, power or authority, and any decision or determination made by the Seller Representative consistent therewith, shall be absolutely and irrevocably binding on each Seller, as if such Seller personally had taken such action, exercised such rights, power or authority or made such decision or determination in such Seller's individual capacity. The Seller Representative hereby acknowledges and accepts the foregoing authorization and appointment and agrees to serve as the Seller Representative in accordance with the Agreement.

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(b) The Seller Representative shall serve as Seller Representative until his resignation, removal from office, incapacity or death; provided, however, that the Seller Representative shall not have the right to resign without (A) prior written notice to Sellers and (B) picking a successor reasonably satisfactory to Purchaser to serve until a successor thereto is elected by Sellers. The Seller Representative may be removed at any time and a successor representative, reasonably satisfactory to Purchaser, may be appointed, pursuant to written action by Sellers who, immediately prior to the date of removal, hold at least one Share. No appointment of a successor shall be effective unless such successor agrees in writing to be bound by the terms of this Agreement.

(c) The Seller Representative shall be permitted to retain counsel, consultants and other advisors at its own expense and shall promptly notify Purchaser after retaining any such person.

(d) Notwithstanding any notice received by Purchaser to the contrary (except any notice for the appointment of a successor Seller Representative approved by Purchaser in accordance with Section 9.7(b) above), Purchaser (i) shall be fully protected in relying upon and shall be entitled to rely upon, shall have no liability to Sellers with respect to, and shall be indemnified by Sellers from and against all liability arising out of, actions, decisions and determinations of the Seller Representative

and (ii) shall be entitled to assume that all actions, decisions and determinations of the Seller Representative are fully authorized by Sellers.

(e) The Seller Representative shall not be liable to Sellers for the performance of any act or the failure to act so long as he acted or failed to act in good faith in what he reasonably believed to be the scope of his authority and for a purpose which he reasonably believed to be in the best interests of Sellers.

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9.9 Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Seller Representative:

DCM-Doll Capital Management
2420 Sand Hill Road
Suite 200
Menlo Park, CA 94025
Telephone: 1-650-233-1400
Facsimile: 1-650-854-9159
Attention: Katsujin David Chao

With a copy to:

51job, Inc.
21/F Wen Xin Plaza
755 Wei Hai Road
Shanghai 200041
P.R. China
Tel: 86-21-3201-4888
Fax: 86-21-3219-3810
Attention: Rick Yan

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
155 Constitution Drive
Menlo Park, CA 94025, USA
Telephone: 1-650-463-5370
Facsimile: 1-877-880-0718

If to Purchaser:

RECRUIT CO., LTD.
Recruit GINZA8 Bldg.
8-4-17 Ginza, Chuo-ku
Tokyo 104-8001, Japan
Telephone: 81-3-3575-5283
Facsimile: 81-3-3575-5886
Attention: Hiroshi Nishino

With a copy to:

Morrison & Foerster LLP
1-3-1 Marunouchi, Chiyoda-ku
Tokyo 100-0005, Japan
Telephone: 81-3-3214-6522
Facsimile: 81-3-3214-6512
Attention: Ken Siegel, Esq.

Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

9.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Purchaser may assign some or all of its rights hereunder to a controlled affiliate of Purchaser without the consent of each Seller, provided, however, that any such assignment shall not release Purchaser from its obligations hereunder.

9.11 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the Company is an intended third party beneficiary with respect to the obligations of the Purchaser under Sections 7.3 and 7.4 hereof and the Company shall be entitled to enforce such provisions as if the Company were a party to this Agreement.

9.12 Survival of Representations and Warranties. All representations and warranties made by Sellers and Purchaser herein shall survive the execution of this Agreement, the delivery to Purchaser of any Shares being purchased and the payment therefor.

9.13 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

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9.14 Termination. This Agreement may be terminated:

(a) By written agreement of Purchaser and the Seller Representative;

(b) In the event that the Initial Closing shall not have occurred on or before ninety (90) days from the date hereof due to a Seller's or Purchaser's failure to satisfy the conditions set forth in Sections 1.4 and 1.5 above, Purchaser, with respect to such failures by a Seller, and Sellers, with respect to such failures by Purchaser (each a "DEFAULTING PARTY") shall have the option to terminate this Agreement with respect to the Defaulting Party, as applicable, at the close of business on such date without liability of any party to any other party arising out of such termination; provided, further, that Purchaser shall have the option to terminate this Agreement with respect to all Sellers, if as a result of any such failure to satisfy the conditions set forth in Sections 1.4 and 1.5 above, Purchaser could not purchase at least 90% of the Shares to be sold in the Initial Sale. No termination hereunder shall limit the rights of a party against any other party with respect to a breach of this Agreement; and

(c) By Purchaser, in its sole discretion, in the event that (i) no trades in the ADSs are reported on the NASDAQ Global Market for ninety (90) consecutive NASDAQ trading days; or (ii) the ADSs have been delisted from trading on the NASDAQ Global Market for a period of at least ninety (90) consecutive NASDAQ trading days; provided, in each case, that Purchaser may not terminate this Agreement pursuant to this Section 9.14(c) if the ADSs cease to be traded on the NASDAQ Global Market pursuant to a going private or other transaction approved by Purchaser or its affiliates; and provided, further, that, if the ADSs are re-listed for trading on the NASDAQ Global Market after having been delisted for more than twenty (20) NASDAQ trading days, Purchaser shall not be obligated to purchase any Shares pursuant to Sections 1, 2, or 3 hereof unless the ADSs have been traded on the NASDAQ Global Market for (90) consecutive NASDAQ trading days

and the Company has maintained an average market capitalization of at least US\$100 million during such period.

9.15 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

9.16 Remedies. Purchaser and each Seller (and the Company, with respect to Sections 7.3 and 7.4) shall have all rights and remedies set forth herein and all of the rights which such parties have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

9.17 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature. This Agreement shall first become effective upon the due execution and delivery of this Agreement by the Purchaser and all of the Sellers (and will not be effective for any purpose, or binding upon any party, until all the Sellers have so executed and delivered this Agreement).

(Signature Pages to Follow)

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IN WITNESS WHEREOF, Purchaser and Sellers have caused this Stock Purchase Agreement to be duly executed as of the date first written above.

PURCHASER:

RECRUIT CO., LTD.

By: /s/ Hiroyuki Honda

Hiroyuki Honda,
Director and Senior Vice President

SELLERS:

DOLL TECHNOLOGY INVESTMENT FUND II, L.P.
DCM NETWORK FUND, L.P.

DCM INTERNET FUND, L.P.
DOLL TECHNOLOGY AFFILIATES FUND II, L.P.
By: Doll Technology Investment
Management II, L.L.C.,
its General Partner

/s/ Katsujin David Chao

Katsujin David Chao, Managing Member

DCM III, L.P.
DCM III-A, L.P.
DCM AFFILIATES FUND III, L.P.
By: DCM Investment Management III,
L.L.C., its General Partner

/s/ Katsujin David Chao

Katsujin David Chao, Managing Member

By: /s/ Rick Yan

RICK YAN
On behalf of himself and RY
Holdings Inc.

By: /s/ Michael Lei Feng

MICHAEL LEI FENG
On behalf of himself and MF
Holdings Inc.

By: /s/ Norman Lui

NORMAN LUI
On behalf of himself and NNL
Holdings Inc.

By: /s/ Kathleen Chien

KATHLEEN CHIEN

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made and executed as of April 18, 2006 (this "AGREEMENT"), among 51job, Inc., a Cayman corporation, (the "COMPANY"), DCM-Doll Capital Management ("DCM"), Rick Yan, Kathleen Chien, Michael Lei Feng and Norman Lui (collectively, the "FOUNDERS") (DCM and each of the Founders, collectively, the "ASSIGNORS") and Recruit Co., Ltd., a Japanese corporation ("ASSIGNEE").

WHEREAS, the Assignors and Assignee have entered into a Stock Purchase Agreement, dated as of April 5, 2006 (the "STOCK PURCHASE AGREEMENT"), pursuant to which the Assignors agree to sell to Assignee, and Assignee agrees to purchase from the Assignors, 23,315,231 common shares of the Company held by the Assignors (the "SHARES") and which provides for the assignment by the Assignors to the Assignee of registration rights under the Investor Rights Agreement entered into among the Company and each of the Assignors, dated as of June 5, 2000 (as amended or otherwise modified from time to time, the "INVESTOR RIGHTS AGREEMENT") attached as Annex A; and

WHEREAS, the Assignor desires to assign to the Assignee, and the Assignee desires to assume, all of the Assignors' rights and obligations under the Investor Rights Agreement solely with respect to the Shares.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and with the intent to be legally bound, the parties hereto agree as follows:

1. Certain Definitions. Capitalized terms used in this Agreement without definition shall have the respective meanings set forth in the Stock Purchase Agreement or the Investor Rights Agreement, as the case may be.

2. Assignment and Assumption. In accordance with the terms and conditions of the Investor Rights Agreement, including Section 2.13 thereof, and solely with respect to the Shares, the Assignors hereby convey, transfer and assign to the Assignee and its successors and assigns, and the Assignee hereby assumes from the Assignors, all of the Assignors' rights, title and interest under the Investor Rights Agreement, and the Assignee hereby agrees to be bound by the provisions of, and perform all duties and obligations to be performed by the Assignors under, the Investor Rights Agreement.

3. Waiver. Solely with respect to the matters contemplated under this Agreement and the Stock Purchase Agreement, the Company, and each of the Assignors expressly and irrevocably waive the requirement under Section 2.13 of the Investor Rights Agreement that any assignee or transferee must acquire at least 25% of the outstanding Registrable Securities in order to effect a

transfer of the registration rights under the Investor Rights Agreement. Furthermore, the Company hereby acknowledges and agrees that, as contemplated by Section 2.13 of the Investor Rights Agreement: (a) the Assignee is reasonably acceptable to the Company as a transferee; and (b) the Assignee is not a competitor of the Company, as determined in the Company's reasonable discretion.

4. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement, and their respective successors and permitted assigns.

5. Waiver; Amendments. None of the provisions of this Agreement may be waived, changed or altered except in a writing executed by each of the parties hereto and specifically referencing this Agreement.

6. Severability. Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

7. Counterparts. This Agreement may be executed by the parties hereto in one or more counterparts, each of which when so executed and delivered shall constitute an original and shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

8. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without reference to conflicts of laws principles thereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by its duly authorized officer, in each case as of the day and year first above written.

DOLL TECHNOLOGY INVESTMENT FUND II, L.P.
DCM NETWORK FUND, L.P.
DCM INTERNET FUND, L.P.
DOLL TECHNOLOGY AFFILIATES FUND II, L.P.

By: Doll Technology Investment
Management II, L.L.C., its
General Partner

/s/ Katsujin David Chao

Katsujin David Chao, Managing Member

DCM III, L.P.

DCM III-A, L.P.

DCM AFFILIATES FUND III, L.P.

By: DCM Investment Management III,
L.L.C., its General Partner

/s/ Katsujin David Chao

Katsujin David Chao, Managing Member

FOUNDERS

RY Holdings Inc.

/s/ Rick Yan

Rick Yan
Title: Sole Director

MF Holdings Inc.

/s/ Michael Lei Feng

Michael Lei Feng
Title: Sole Director

NNL Holdings Inc.

/s/ Norman Lui

Norman Lui
Title: Sole Director

/s/ Kathleen Chien

Kathleen Chien

51JOB, INC.

/s/ Rick Yan

Rick Yan
Chief Executive Officer and President

RECRUIT CO., LTD.

/s/ Hiroyuki Honda

Hiroyuki Honda
Director and Senior Vice President

51JOB, INC. (FKA 51NET.COM CAYMAN ISLANDS INC.)

2000 STOCK PLAN

1. Purposes of the Plan. The purposes of this Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant. Stock Purchase Rights may also be granted under the Plan.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(b) "Applicable Laws" means the requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Ordinary Shares are listed or quoted and the applicable laws of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means a committee of Directors appointed by the Board in accordance with Section 4 hereof.

(f) "Ordinary Shares" means the Ordinary Shares of the Company.

(g) "Company" means 51job, Inc. (fka 51net.com Cayman Islands Inc.), a Cayman Islands company.

(h) "Consultant" means any person who is engaged by the Company or any Parent or Subsidiary to render consulting or advisory services to such entity.

(i) "Director" means a member of the Board of Directors of the Company.

(j) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(k) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. For purposes of Incentive Stock Options, no such

leave may exceed ninety days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 181st day of such leave any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means, as of any date, the value of Ordinary Shares determined as follows:

(i) If the Ordinary Shares are listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Ordinary Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Ordinary Shares on the last market trading day prior to the day of determination; or

(iii) In the absence of an established market for the Ordinary Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(n) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(o) "Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(p) "Officer" means a person who is an officer of the Company

within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(q) "Option" means a stock option granted pursuant to the Plan.

(r) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(s) "Option Exchange Program" means a program whereby outstanding Options are exchanged for Options with a lower exercise price.

(t) "Optioned Stock" means the Ordinary Shares subject to an Option or a Stock Purchase Right.

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(u) "Optionee" means the holder of an outstanding Option or Stock Purchase Right granted under the Plan.

(v) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "Plan" means this 2000 Stock Plan.

(x) "Restricted Stock" means shares of Ordinary Shares acquired pursuant to a grant of a Stock Purchase Right under Section 11 below.

(y) "Service Provider" means an Employee, Director or Consultant.

(z) "Share" means a share of the Ordinary Shares, as adjusted in accordance with Section 12 below.

(aa) "Stock Purchase Right" means a right to purchase Ordinary Shares pursuant to Section 11 below.

(bb) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be subject to option and sold under the Plan is 4,010,666 Shares.

If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). However, Shares that have actually been issued under the Plan,

upon exercise of either an Option or Stock Purchase Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if Shares of Restricted Stock are repurchased by the Company at their original purchase price and cancelled, such Shares (which will then be authorized but unissued Shares) shall become available for future grant under the Plan.

4. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value;

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(ii) to select the Service Providers to whom Options and Stock Purchase Rights may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each such award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions, of any Option or Stock Purchase Right granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or Stock Purchase Rights may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or Stock Purchase Right or the Ordinary Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to determine whether and under what circumstances an Option may be settled in cash under subsection 9(e) instead of Ordinary Shares;

(vii) to reduce the exercise price of any Option to the then current Fair Market Value if the Fair Market Value of the Ordinary Shares covered by such Option has declined since the date the Option was granted;

(viii) to initiate an Option Exchange Program;

(ix) to prescribe, amend and rescind rules and regulations

relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

(x) to allow Optionees to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Option or Stock Purchase Right that number of Shares having a Fair Market Value equal to the amount required to be withheld. 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. All elections by Optionees to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable; and

(xi) to construe and interpret the terms of the Plan and awards granted pursuant to the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Optionees.

5. Eligibility.

(a) Nonstatutory Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

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(b) Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds \$100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 5(b), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(c) Neither the Plan nor any Option or Stock Purchase Right shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, with or without cause.

6. Term of Plan. The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 14 of the Plan.

7. Term of Option. The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to an Optionee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

8. Option Exercise Price and Consideration.

(a) The per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(1) granted to an Employee who, at the time of grant of such Option, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(2) granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option

(1) granted to a Service Provider who, at the time of grant of such Option, owns stock representing more than ten percent (10%) of the voting power of all

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classes of stock of the Company or any Parent or Subsidiary, the exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(2) granted to any other Service Provider, the per Share exercise price shall be no less than 85% of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(b) The consideration to be paid for the Shares to be issued upon exercise of an Option, 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). Such consideration may consist of (1) cash, (2) check, (3) promissory note, (4) other Shares which (x) in the case of Shares acquired upon exercise of an Option, have been owned by the Optionee for more than six months on the date of surrender, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (5) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, or (6) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

9. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. Except in the case of Options granted to Officers, Directors and Consultants, Options shall become exercisable at a rate of no less than 20%, per year over five (5) years from the date the Options are granted. Unless the Administrator provides otherwise, vesting of Options granted hereunder to Officers and Directors shall be tolled during any unpaid leave of absence. An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 of the Plan.

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Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Relationship as a Service Provider. If an Optionee ceases to be a Service Provider, such Optionee may exercise his or her Option within such period of time as is specified in the Option Agreement (of at least thirty (30) days) to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability of Optionee. If an Optionee ceases to be a Service Provider as a result of the Optionee's Disability, the Optionee may exercise his or her Option within such period of time as is specified in the Option Agreement (of at least six (6) months) to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Death of Optionee. If an Optionee dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Option Agreement (of at least six (6) months) to the extent that the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee's estate or by a person who acquires the right to exercise the Option by bequest or inheritance. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. If, at the time of death, the Optionee is not vested as to the entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Buyout Provisions. The Administrator may at any time offer to buy out for a payment in cash or Shares, an Option previously granted, based on such terms and conditions as the Administrator shall establish and communicate to the Options at the time that such offer is made.

10. Non-Transferability of Company Stock Purchase Rights. The Options and Stock Purchase Rights 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 Optionee, only by the Optionee.

11. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. The terms of the offer shall comply in all respects with Section 260.140.42 of Title 10 of the California Code of Regulations. The offer shall be accepted by execution of a Restricted Stock purchase agreement in the form determined by the Administrator.

(b) Purchase Option. Unless the Administrator determines otherwise, the Restricted Stock purchase agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's service with the Company for any reason (including death or disability). The purchase price for Shares repurchased pursuant to the Restricted Stock purchase agreement shall be the original price paid by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine. Except with respect to Shares purchased by Officers, Directors and Consultants, the repurchase option shall in no case lapse at a rate of less than 20% per year over five (5) years from the date of purchase.

(c) Other Provisions. The Restricted Stock purchase agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(d) Rights as a Shareholder. Once the Stock Purchase Right is exercised, the purchaser shall have rights equivalent to those of a shareholder and shall be a shareholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 12 of the Plan.

12. Adjustments Upon Changes in Capitalization, Merger or Asset Sale.

(a) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of shares of Ordinary Shares covered

by each outstanding Option or Stock Purchase Right, and the number of shares of Ordinary Shares which have been authorized for issuance under the Plan but as to which no Options or Stock Purchase Rights have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option or Stock Purchase Right, as well as the price per share of Ordinary Shares covered by each such outstanding Option or Stock Purchase Right, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Ordinary Shares resulting from a stock split, reverse stock split, stock dividend, combination or

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reclassification of the Ordinary Shares, or any other increase or decrease in the number of issued shares of Ordinary Shares effected without receipt of consideration by the Company. The 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 Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, 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 thereof shall be made with respect to, the number or price of shares of Ordinary Shares subject to an Option or Stock Purchase Right.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to exercise his or her Option or Stock Purchase Right until fifteen (15) days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option or Stock Purchase Right would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or Stock Purchase Right shall lapse as to all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Option or Stock Purchase Right will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Asset Sale. In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option and Stock Purchase Right shall be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option or Stock Purchase Right, the Optionee shall fully vest in and have the right to exercise the Option or Stock Purchase Right as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or Stock Purchase Right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the

Administrator shall notify the Optionee in writing or electronically that the Option or Stock Purchase Right shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option or Stock Purchase Right shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option or Stock Purchase Right shall be considered assumed if, following the merger or sale of assets, the option or right confers the right to purchase or receive, for each Share of Optioned Stock subject to the Option or Stock Purchase Right immediately prior to the merger or sale of assets the consideration (whether stock, cash or other securities or property) received in the merger or sale of assets by holders of Ordinary Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or Stock Purchase Right, for each Share of Optioned Stock subject to the Option or Stock Purchase Right, to be solely common stock of the successor

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corporation or its Parent equal in fair market value to the per share consideration received by holders of Ordinary Shares in the merger or sale of assets.

13. Time of Granting Options and Stock Purchase Rights. The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such other date as is determined by the Administrator. Notice of the determination shall be given to each Service Provider to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

14. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Board shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the

Plan prior to the date of such termination.

15. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option, the Administrator may require the person exercising such Option 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 is required.

16. Inability to Obtain Authority. 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.

17. Reservation of Shares. The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

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18. Shareholder Approval. The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months after the date the Plan is adopted. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws.

19. Information to Optionees and Purchasers. The Company shall provide to each Optionee and to each individual who acquires Shares pursuant to the Plan, not less frequently than annually during the period such Optionee or purchaser has one or more Options or Stock Purchase Rights outstanding, and, in the case of an individual who acquires Shares pursuant to the Plan, during the period such individual owns such Shares, copies of annual financial statements. The Company shall not be required to provide such statements to key employees whose duties in connection with the Company assure their access to equivalent information.

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INVESTOR RIGHTS AGREEMENT

This Investor Rights Agreement (this "Agreement") is made as of June 5, 2000, among 51job, Inc. (fka 51net.com Cayman Islands Inc.), a Cayman Islands corporation (the "Company"), each of the investors that executes a counterpart of the Investor Signature Page hereto (each Investor, individually, the "Investor" and collectively, the "Investors"), and each of the founders that executes a counterpart of the Founder Signature Page hereto (individually, the "Founder" and collectively, the "Founders").

Background

The Company and each Investor intend to enter into a Series A Preference Stock Purchase Agreement (the "Stock Purchase Agreement") pursuant to which the Investors will purchase 100% of the authorized shares of the Company's Series A Preference Stock (such shares purchased under the Stock Purchase Agreement, the "Series A Shares").

NOW THEREFORE, the parties agree as follows:

SECTION 1: COVENANTS.

1.1 FINANCIAL REPORTING; INSPECTIONS.

(a) So long as the Investor holds at least 25% of the Series A Shares, the Company shall deliver to the Investor: (i) annual, audited and consolidated financial statements, no later than 120 days after the end of the Company's fiscal or calendar year, as applicable; (ii) the Company's annual budget and business plan, within 30 days of completion thereof; (iii) quarterly, unaudited financial statements, no later than 45 days after the end of the Company's first, second and third calendar quarters; and (iv) monthly, management-prepared reports, in a format to be agreed to between the Company and the Investors, no later than 30 days after the end of each month.

(b) So long as the Investor holds at least 25% of the Series A Shares, the Company shall permit the Investor to visit and inspect any of the properties of the Company, including its books of account and other records (and make copies thereof) and to discuss its affairs, finances and accounts with the Company's officers and its independent public accountants, all at such reasonable times and as often as the Investor may reasonably request.

1.2 CONFIDENTIAL INFORMATION.

(a) "Confidential Information" means any information, technical data, or know-how, including research, products, software, services, development, inventions, processes, designs, drawings, engineering, marketing,

or finances, disclosed by any party hereto (for purposes of this Section, the "disclosor") to any other party hereto and all transferees of shares in the Company from any such party (for purposes of this Section, the "recipient"), directly or indirectly, in writing, orally, or by drawings or inspection of parts or equipment. "Confidential Information" does not include information, technical data, or know-how that: (i) is in the recipient's possession at the time of disclosure to it, as shown by its files and records immediately before the time of disclosure; (ii) is part of public knowledge (not as a result of any action or inaction of the recipient) before or after it has been disclosed to the recipient; or (iii) is approved for release by the disclosor's written authorization.

(b) Prohibition on Use of Confidential Information. The recipient shall refrain from using Confidential Information for its own use or for any purpose except to evaluate its equity investment in the Company. The recipient shall not disclose Confidential Information to any third parties. The recipient shall treat Confidential Information in a manner consistent with the treatment of its own proprietary information and shall protect the confidentiality of, and use reasonable best efforts to prevent disclosure of, the Confidential Information to prevent it from falling into the public domain or the possession of unauthorized persons. Each transferee of the recipient who receives Confidential Information shall agree to be bound by these provisions.

(c) Exceptions. The provisions of this Section shall not apply: (i) to the extent that the recipient is required to disclose Confidential Information under any law, statute or regulation, or any order of any court or other governmental authority; or (ii) to the disclosure of Confidential Information to the recipient's counsel, accountants, or other professional advisors.

(d) Injunctive Relief. The parties acknowledge that it will be impossible to measure in money the damage to the disclosor caused by any failure to comply with the covenants set forth in this Section, that each such covenant is material, and that in the event of any such failure the disclosor will not have an adequate remedy at law or in damages. Therefore, the recipient consents to the issuance of an injunction or the enforcement of other equitable remedies against it, without bond or other security, to compel performance of all of the terms of this Section, and waive the defense of the availability of relief in damages.

SECTION 2: RESTRICTIONS ON TRANSFER; REGISTRATION RIGHTS

2.1 RESTRICTIONS ON TRANSFERABILITY. The Series A Shares and the Conversion Stock (as defined below) shall not be sold, assigned, transferred or pledged except upon the conditions specified in this Section 2, which conditions are intended to ensure compliance with the provisions of the Securities Act. All holders of Restricted Securities shall cause any proposed purchaser, assignee, transferee or pledgee of any such shares held by it to agree to take and hold such securities subject to the provisions and upon the conditions specified in

this Section 2.

2.2 DEFINITIONS. As used in this Agreement, the following terms shall have the following respective meanings:

(a) "Commission" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(b) "Conversion Stock" means the Ordinary Shares issued or issuable pursuant to conversion of the Series A Shares.

(c) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(d) "Founders Shares" means any Ordinary Shares held by any Founder.

(e) "Holder" means the Investor or Founder holding Registrable Securities, and any other person holding Registrable Securities to whom registration rights under this Section 2 have been transferred in accordance with Section 2.13 hereof.

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(f) "Initiating Holders" mean (i) with respect to Section 2.5 hereof (demand registration), the holders of at least 30% of the Registrable Securities; and (ii) with respect to Section 2.7 hereof (S-3 registration), the holders of at least 20% of the Registrable Securities.

(g) "Registrable Securities" mean: (i) the Conversion Stock and any Ordinary Shares of the Company issued or issuable in respect of the Conversion Stock upon any stock split, stock dividend, recapitalization, or similar event, or any Ordinary Shares otherwise issuable with respect to the Conversion Stock, and (ii) the Founders Shares and any Ordinary Shares issued in respect of the Founders Shares upon any stock split, stock dividend, recapitalization or similar event, or any Ordinary Shares otherwise issued or issuable with respect to the Founders Shares. Shares of Ordinary Shares or other securities shall only be treated as Registrable Securities if and so long as they have not been sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, or sold or are available for sale in a single sale in the opinion of counsel for the Company in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act (other than a sale under Rule 144(k) promulgated under the Securities Act) so that all transfer restrictions and restrictive legends with respect thereto are removed upon the consummation of such sale.

(h) "Register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

(i) "Registration Expenses" mean all expenses, except as otherwise stated below, incurred by the Company in complying with this Section 2, including all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company) and the reasonable fees and disbursements of one special counsel for Holders (not to exceed \$35,000).

(j) "Restricted Securities" mean the securities of the Company required to bear the legend set forth in Section 2.3 hereof.

(k) "Securities Act" means the Securities Act of 1933, as amended, any similar federal statute and the rules and regulations of the Commission thereunder, or the securities laws of such other jurisdiction as may be applicable, all as the same shall be in effect at the time.

(l) "Selling Expenses" mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders and, except as set forth above, all reasonable fees and disbursements of counsel for such Holders.

2.3 RESTRICTIVE LEGENDS. Each certificate representing (i) Series A Shares, (ii) the Conversion Stock and (iii) any other securities issued in respect of the Series A Shares or the Conversion Stock upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 2.4 below) be stamped or otherwise imprinted with a legend in the following form, and such other legends required by the Company:

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"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT") OR OTHER APPLICABLE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE TRANSFERRED UNLESS (A) A REGISTRATION STATEMENT IS IN EFFECT AS TO SUCH TRANSFER OR (B) PURSUANT TO RULE 144 OR OTHER APPLICABLE SECURITIES LAWS, OR (C) IN THE OPINION OF THE COMPANY, REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT OR SUCH OTHER APPLICABLE SECURITIES LAWS."

"THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS UPON TRANSFER AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF CERTAIN DOCUMENTS, COPIES OF WHICH ARE ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

All holders of Restricted Securities consent to the Company making a notation on its records and giving instructions to any transfer agent of the Series A Shares or the Ordinary Shares in order to implement the restrictions on transfer established in this Section 2.

2.4 NOTICE OF PROPOSED TRANSFERS. The holder of each certificate representing Restricted Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 2.4. Prior to any proposed sale, assignment, transfer or pledge of any Restricted Securities (other than (i) a transfer not involving a change in beneficial ownership, (ii) in transactions involving the distribution without consideration of Restricted Securities by the holder to any of its partners, or retired partners, or to the estate of any of its partners or retired partners, or (iii) in transactions in compliance with Rule 144), unless there is in effect a registration statement under the Securities Act covering the proposed transfer, the holder thereof shall give written notice to the Company of such holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied, at such holder's expense by either (i) an unqualified written opinion of legal counsel who shall be, and whose legal opinion shall be, reasonably satisfactory to the Company addressed to the Company, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Securities Act, or (ii) a "no action" letter from the Commission to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the holder to the Company. Each certificate evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 2.3 above, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such holder and the Company, such legend is not required in order to establish compliance with any provision of the Securities Act.

2.5 REQUESTED REGISTRATION.

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(a) Request for Registration. In case the Company shall receive from Initiating Holders on an aggregated basis, a written request that the Company effect any registration, qualification or compliance with respect to Registrable Securities and the anticipated aggregate offering price, net of underwriting discounts and commissions would exceed \$7,500,000, the Company will:

(i) promptly give written notice of the proposed registration, qualification or compliance to all other Holders, if any; and

(ii) as soon as practicable, use its best efforts to effect such registration, qualification or compliance (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the

Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder joining in such request as are specified in a written request received by the Company within 20 days after receipt of such written notice from the Company;

Provided, however, that the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(1) 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;

(2) Prior to 3 months after the effective date of the Company's first registered public offering of its stock or the third anniversary of the date of the initial purchase of Series A Shares by the Investor, whichever is earlier;

(3) During the period starting with the date 60 days prior to the Company's estimated date of filing of, and ending on the date 6 months immediately following the effective date of, any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective;

(4) After the Company has effected two such registrations pursuant to this Section 2.5(a), and such registrations have been declared or ordered effective (provided however that for any registration for which the holders of 50% or more of the Series A Shares have affirmatively refused to initiate as Initiating Holders, such registration shall not be counted against such two demand registrations with respect to the holders of the Series A Shares); or

(5) If the Company shall furnish to such Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its members for a registration statement to be filed in the near future, then the Company's obligation to use its best efforts to register, qualify or comply under this Section 2.5 shall be deferred for a period not to exceed 120 days from the date of receipt of

written request from the Initiating Holders, provided that the Company may not

exercise this deferral right more than once per twelve month period.

Subject to the foregoing clauses (1) through (5), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable, after receipt of the request or requests of the Initiating Holders.

(b) Underwriting. In the event that a registration pursuant to Section 2.5 is for a registered public offering involving an underwriting, the Company shall so advise each Holder as part of the notice given pursuant to Section 2.5(a)(i). In such event, the right of any Holder to registration pursuant to Section 2.5 shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Section 2.5, and the inclusion of such Holder's Registrable Securities in the underwriting to the extent requested shall be limited to the extent provided herein.

The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders, but subject to the Company's reasonable approval. Notwithstanding any other provision of this Section 2.5, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated, among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Holders at the time of filing the registration statement. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares. Notwithstanding the foregoing, in the event that any such underwriter cutback will cause the cutback of 50% or more of the Registrable Securities of the holders of the Series A Shares requested to be included in such registration, then the holders of the Series A Shares may elect to have excluded from such registration the Registrable Securities of all holders of Series A Shares. Such election shall be by the affirmative vote of the holders of 50% or more of the Series A Shares and shall be effective for all holders of Series A Shares. In such case, the number of demand registrations available to the holders of Series A Shares shall not be reduced by such registration.

If any Holder disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing underwriter and the Initiating Holders. The Registrable Securities and/or other securities so withdrawn shall also be withdrawn from registration, and such Registrable Securities shall not be transferred in a public distribution prior to 90 days after the effective date of such registration, or such other shorter period of time as the underwriters may require.

2.6 COMPANY REGISTRATION.

(a) Notice of Registration. If at any time or from time to time the Company shall determine to register any of its securities, either for its own account or the account of a security holder,

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other than: (x) a registration relating solely to employee benefit plans, or (y) a registration relating solely to a Commission Rule 145 transaction, the Company will:

(i) promptly give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all Registrable Securities specified in a written request or requests, made within 20 days after receipt of such written notice from the Company, by the Holders thereof.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice above. In such event the right of the Holders to registration shall be conditioned upon their participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. Holders proposing to distribute securities through such underwriting shall (together with the Company and the other persons distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company. Notwithstanding any other provision of this Section 2, if the managing underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the Registrable Securities to be included in such registration: (i) in the case of the Company's initial public offering, to zero, and (ii) in the case of any other offering, to an amount no less than 30% of all shares to be included in such offering. The Company shall so advise the Holders and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Holders at the time of filing the Registration Statement. To facilitate the allocation of shares in accordance with the above provisions, the Company may round the number of shares allocated to any Holder to the nearest 100 shares. If the Holder disapproves of the terms of any such underwriting, it may elect to withdraw therefrom by written notice to the Company and the managing underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration, and shall not be transferred in a public distribution prior to 90 days after the effective date of the registration statement relating thereto, or such other shorter period of time as the underwriters may require.

(c) Right to Terminate Registration. The Company shall have the

right to terminate or withdraw any registration initiated by it under this Section 2 prior to the effectiveness of such registration whether or not a Holder has elected to include securities in such registration.

2.7 REGISTRATION ON FORM S-3.

(a) Two S-3 Requests. If Initiating Holders request that the Company file a registration statement on Form S-3 (or any successor form) for a public offering of shares of the Registrable Securities the reasonably anticipated aggregate price to the public of which, net of underwriting discounts and commissions, would equal at least \$500,000, and the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such an offering, the Company shall use its best efforts to cause such Registrable Securities to be registered for the offering on such form and to cause such Registrable Securities to be qualified in such jurisdictions as a Holder

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may reasonably request. The Company shall not be required to effect more than 2 registrations pursuant to this Section 2.7 in any 12 month period. The Company shall inform other Holders, if any, of the proposed registration and offer them the opportunity to participate.

(b) Underwriting. The substantive provisions of Section 2.5(b) shall be applicable to each registration initiated under this Section 2.7.

(c) Exceptions to S-3 Requirement. Notwithstanding the foregoing, the Company shall not be obligated to take any action pursuant to this Section 2.7: (i) 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; (ii) if the Company, within 10 days of the receipt of the request of the Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the Commission within 90 days of receipt of such request (other than with respect to a registration statement relating to a Rule 145 transaction, an offering solely to employees or any other registration which is not appropriate for the registration of Registrable Securities); (iii) during the period starting with the date 60 days prior to the Company's estimated date of filing of, and ending on the date 6 months immediately following, the effective date of any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or (iv) if the Company shall furnish to such Holder a certificate signed by the President or CEO of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its shareholders for registration statements to be filed in the near future, then the Company's obligation to use

its best efforts to file a registration statement shall be deferred for a period not to exceed 120 days from the receipt of the request to file such registration by the Holder, provided that the Company may not exercise this deferral right more than once per 12 month period.

2.8 EXPENSES OF REGISTRATION. All Registration Expenses incurred in connection with all registrations pursuant to this Section 2 shall be borne by the Company. All Selling Expenses relating to securities registered on behalf of the Holders shall be borne by them pro rata on the basis of the number of shares so registered.

2.9 REGISTRATION PROCEDURES. In the case of each registration, qualification or compliance effected by the Company pursuant to this Section 2, the Company will keep each Holder advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. At its expense the Company will:

(a) Prepare and file with the Commission a registration statement with respect to such securities and use its best efforts to cause such registration statement to become and remain effective for at least 180 days or until the distribution described in the Registration Statement has been completed.

(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement,

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preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities.

2.10 INDEMNIFICATION. The Company will indemnify each Holder, each of its officers, directors, trustees and partners, and each person controlling the Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 2, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation by the Company of the Securities Act or any state securities law or any rule or regulation promulgated thereunder applicable

to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse the Holder, each of its officers, trustees and directors, and each person controlling the Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action; provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by the Holder, controlling person or underwriter and stated to be specifically for use therein; and provided, further, that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any such untrue statement, alleged untrue statement, omission or alleged omission made in a preliminary prospectus on file with the Commission at the time the registration statement becomes effective or the amended prospectus filed with the Commission pursuant to Rule 424(b) (the "Final Prospectus"), such indemnity agreement shall not inure to the benefit of any underwriter or any holder, if there is no underwriter, if a copy of the Final Prospectus was not furnished to the person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(a) Each Holder will, if Registrable Securities held by it are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other Holder, each of its officers, trustees and directors and each person controlling it within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or 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, and will reimburse the Company, such Holders, such directors, officers, trustees, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage,

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liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder and stated to be specifically for use therein; provided, however, that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to

any untrue statement, alleged untrue statement, omission or alleged omission made in a preliminary prospectus on file with the Commission at the time the registration statement becomes effective or in the Final Prospectus, such indemnity agreement shall not inure to the benefit of any underwriter or any Holder, if there is no underwriter, if a copy of the Final Prospectus was not furnished to the person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act. Notwithstanding the foregoing, the liability of the Holder under this Section shall be limited in an amount equal to the initial public offering price of the shares sold by such Holder.

(b) Each party entitled to indemnification under this Section (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and the Indemnifying Party shall have the option to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action and provided further, that the Indemnifying Party shall not assume the defense for matters as to which there is a conflict of interest or separate and different defenses. No claim may be settled without the consent of the Indemnifying Party (which consent shall not be unreasonably withheld). No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

2.11 INFORMATION BY HOLDERS. Holders of Registrable Securities included in any registration shall furnish to the Company such information regarding them, the Registrable Securities held by them and the distribution proposed by them as the Company may request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Section 2.

2.12 RULE 144 REPORTING. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of Restricted Securities to the public without registration, after such time as a public market exists for the Ordinary Shares of the Company, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date that the Company becomes subject to the reporting requirements of the Securities Act or the Exchange Act;

(b) Use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Restricted Securities to furnish to it forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company and other information in the possession of or reasonably obtainable by the Company as such holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such holder to sell any such securities without registration.

2.13 TRANSFER OF REGISTRATION RIGHTS. The rights to cause the Company to register securities granted the Investor under this Section 2 may be assigned to a transferee reasonably acceptable to the Company in connection with any transfer or assignment of Registrable Securities provided that: (i) such transfer may otherwise be effected in accordance with applicable securities laws, (ii) such assignee or transferee agrees to be bound by the terms and conditions of this Agreement, (iii) such assignee or transferee acquires at least 25% of the outstanding Registrable Securities; and (iv) such assignee or transferee is not a competitor of the Company, as determined in the Company's reasonable discretion.

2.14 STANDOFF AGREEMENT. In connection with the Company's initial public offering of the Company's securities, the Holder agrees, upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the underwriters; provided that the founders, officers and directors of the Company who own shares of the Company also agree to such restrictions.

2.15 TERMINATION. The rights to cause the Company to register securities granted to Holders under this Section 2 shall expire upon the earlier of 7 years after the consumation of a firm commitment underwritten public offering of the Company's Ordinary Shares registered under the Securities Act which results in aggregate net proceeds to the Company of at least US\$10,000,000 and a price per share of at least US\$3.12; or, for a particular Holder, at such time as such

Holder is able to dispose of all such securities in one 3-month period pursuant to Rule 144.

2.16 FUTURE REGISTRATION RIGHTS. The Company hereby covenants that it shall not grant registration rights in respect of any capital stock of the Company to any person or entity other than as set forth herein, unless such registration rights are subordinate to the registration rights granted to the Holders hereunder, or unless 50% or more of Holders consent in writing to such grant of equal or superior registration rights.

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2.17 NON-U.S. REGISTRATIONS. In connection with any registration requiring compliance with the laws of any jurisdiction outside the United States, Company shall use commercially reasonable efforts to comply with all applicable laws and to satisfy such requirements or obligations as may exist in accordance with custom in such jurisdiction and shall comply with all obligations equivalent to those specified in this Section 2.

SECTION 3: RIGHT OF FIRST REFUSAL FOR ISSUE OF NEW SECURITIES.

3.1 INVESTORS' RIGHT OF FIRST REFUSAL. The Company hereby grants to the Investor the right of first refusal to purchase a Pro Rata Share of any New Securities (as defined in this Section) which the Company may, from time to time, propose to sell and issue. A "Pro Rata Share," for purposes of this right of first refusal, is the ratio that the sum of the number of Ordinary Shares then held by the Investor and the number of Ordinary Shares issuable upon conversion of the Series A Shares then held by the Investor bears to the sum of the total number of Ordinary Shares then outstanding and the number of Ordinary Shares issuable upon conversion of the then outstanding Preference Stock, assuming the exercise of all outstanding options, warrants and other rights and the issuance of all shares reserved for issuance to employees under any equity plan.

3.2 NEW SECURITIES. Except as set forth below, "New Securities" shall mean any shares of capital stock of the Company including Ordinary Shares and Preference Shares, whether now authorized or not, and rights, options or warrants to purchase said shares of Ordinary Shares or Preference Shares, and securities of any type whatsoever that are, or may become, convertible into said shares of Ordinary Shares or Preference Shares. Notwithstanding the foregoing, "New Securities" does not include (i) shares to be issued to employees and directors pursuant to plans, agreements and arrangements approved by the Board of Directors; (ii) shares issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions; (iii) the Series A Shares, including Conversion Stock; (iv) securities offered to the public generally pursuant to a registration statement under the Securities Act; (v) securities issued pursuant to the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets or other reorganization whereby the Company or its shareholders own not less than 51% of the voting power of the surviving or successor corporation;

(vi) stock issued pursuant to any rights or agreements including without limitation convertible securities, options and warrants, provided that the rights of first offer established by this Section apply with respect to the initial sale or grant by the Company of such rights or agreements; and (vii) stock issued in connection with any stock split, stock dividend or similar transactions by the Company.

3.3 NOTICE. In the event the Company proposes to undertake an issuance of New Securities, it shall give the Investor written notice of its intention, describing the type of New Securities, and the price and terms upon which the Company proposes to issue the same. The Investor shall have 15 days from the date of receipt of any such notice to agree to purchase up to its Pro Rata Share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased.

3.4 INVESTOR'S FAILURE TO EXERCISE RIGHT. If the Investor fails to exercise the right of first refusal within said 15 day period, the Company shall have 90 days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within 60 days from the date of said agreement) to sell the New Securities not elected to be

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purchased by the Investor at the price and upon the terms no more favorable to the purchasers of such securities than specified in the Company's notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said 90 day period (or sold and issued New Securities in accordance with the foregoing within 60 days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities, without first offering such securities in the manner provided above.

3.5 NO ASSIGNMENTS. The right of first refusal hereunder is not assignable except to a purchaser that acquires 100% of the Investor's Series A Shares and Conversion Stock.

3.6 COMPANY'S FAILURE TO GIVE NOTICE. If the Company has not given notice to the Investor prior to the issuance of New Securities as provided above, then the Company shall give notice to the Investor within 20 days after the issuance of New Securities. Such notice shall describe the type, price and terms of the New Securities. The Investor shall have 15 days from the date of receipt of such notice to elect to purchase its Pro Rata Share of New Securities. The Pro Rata Shares shall be calculated giving effect to the sale of the New Securities. The closing of such sale shall occur within 30 days of the date of notice to the Investor.

SECTION 4: TERMINATION.

This Agreement shall terminate and be of no force or effect upon: (i) the

effectiveness of the Company's initial underwritten public offering of at least \$10,000,000 at an offering price of at least \$3.12; or (ii) upon an acquisition of the Company by merger or other reorganization whereby the Company's shareholders, directly or indirectly, own less than 51% of the voting power of the surviving or successor corporation. Notwithstanding the foregoing, the provisions of Section 2 (with respect to restrictions on transfer and registration) shall terminate as set forth in Section 2. Section 1.2 (confidential information) shall survive termination of this Agreement.

SECTION 5: MISCELLANEOUS

5.1 NOTICES. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid in the U.S. or by overnight courier to overseas, or otherwise delivered by hand or by messenger, (i) addressed to the Investor or the holder of shares subject to this Agreement, at such person's address of record as it appears on the books of the Company or at such other address as such person shall have furnished to the Company in writing, or until any such person so furnishes an address to the Company, then to the address of the last holder of such shares who has so furnished an address to the Company, or (ii) if to the Company, to its principal executive office.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally or by overnight courier, or, if sent by mail, at the earlier of its receipt or 72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

5.2 WAIVERS AND AMENDMENTS. This Agreement and all its terms may be changed, waived, discharged or terminated solely in writing signed by the parties to such waiver or amendment. No delay or omission to exercise any right, power or remedy accruing under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver or

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acquiescence, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

5.3 GOVERNING LAW. This Agreement shall be governed by the laws of the State of Delaware, without reference to conflicts of laws principles thereof.

5.4 SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

5.5 ENTIRE AGREEMENT. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subjects

hereof.

5.6 SEVERABILITY OF THIS AGREEMENT. If any provision of this Agreement shall be judicially determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5.7 COUNTERPARTS. This Agreement may be executed in counterparts, all of which together shall constitute one instrument.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

By: _____
Name:
Title:

* INVESTOR RIGHTS AGREEMENT *

INVESTOR SIGNATURE PAGE

IN WITNESS WHEREOF, Investor has read and understands the Investor Rights Agreement to which this Investor Signature Page is attached, and has executed this Investor Rights Agreement this _____, 2000.

Name of Investor (Print)

By: _____
Name:
Title:

Address of Investor

FOUNDER SIGNATURE PAGE

IN WITNESS WHEREOF, Founder has read and understands the Investor Rights Agreement to which this Founder Signature Page is attached, and has executed

this Investor Rights Agreement this _____, 2000.

Name of Founder (Print)

Signature

Address of Founder