

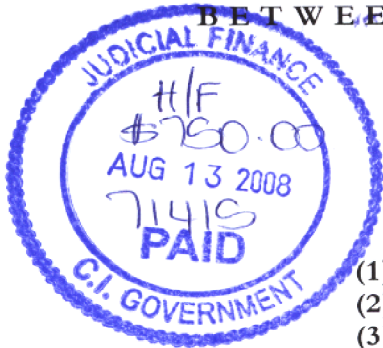
IN THE GRAND COURT OF THE CAYMAN ISLANDS

G0382

CAUSE NO: OF 2008

IN THE MATTER OF SECTION 46 OF THE COMPANIES LAW (2007 REVISION)  
AND IN THE MATTER OF THE GRAND COURT RULES 1995, ORDER 102(2)(1)(b)

BETWEEN:



ZHANZUO INC.



Plaintiff

AND

- (1) EYOU INC.
- (2) SEQUOIA CAPITAL CHINA I, L.P.
- (3) SEQUOIA CAPITAL CHINA PARTNERS FUND I, L.P.
- (4) SEQUOIA CAPITAL CHINA PRINCIPALS FUND I, L.P.
- (5) MORNINGSIDE TECHNOLOGY INVESTMENTS LIMITED

Defendants

**ORIGINATING SUMMONS**

LET THE FIRST DEFENDANT of c/o Offshore Incorporations (Cayman) Limited, 4th Floor, Scotia Centre, PO Box 2804, George Town, Grand Cayman KY1-1112

AND THE SECOND DEFENDANT of 2408 Air China Plaza, No. 36 Xiaoyun Road, Chaoyang District, Beijing, 100027, P.R.China

AND THE THIRD DEFENDANT of 2408 Air China Plaza, No. 36 Xiaoyun Road, Chaoyang District, Beijing, 100027, P.R.China

AND THE FOURTH DEFENDANT of 2408 Air China Plaza, No. 36 Xiaoyun Road, Chaoyang District, Beijing, 100027, P.R.China

AND THE FIFTH DEFENDANT of 22/F Hang Lung Centre, Paterson St, Causeway Bay, Hong Kong

attend before the Judge in Chambers, at the Law Courts, George Town, Grand Cayman on the 20<sup>th</sup> day of October 2008 at 9.30 o'clock on the hearing of an application by the Plaintiff of 9th Floor, 8th Building, Wanda Plaza, 93 Jianguo Road, Chaoyang District, Beijing, 100022, P.R.China, for orders that:

1. Pursuant to section 46 of the Companies Law (2007 Revision) that the Register of Members of the First Defendant be rectified by striking out the names of the Second to Fifth Defendants as holders of the Ordinary Shares in the First Defendant, and inserting in lieu thereof the name of the Plaintiff as holder of 3,700,394 Ordinary Shares;
2. The resolutions purportedly passed by the Second to Fifth Defendants at an Extraordinary General Meeting of the Company held on 2 April 2008, be declared to be invalid and of no effect.
3. The costs of this application be paid by the Defendants to the Plaintiff.

AND FURTHER TAKE NOTICE that the grounds of this application are:

1. The First Defendant (the "Company") was formed by the Plaintiff on or about 2 May 2006. At all material times the Plaintiff is and has been the holder of 3,700,394 of the Company's Ordinary Shares.
2. Pursuant to a financing of the Company, on 7 September 2006 the Plaintiff entered into a Restricted Share Agreement with the Company and the Second to Fifth Defendants (the "Investors") in order to provide comfort to the Investors that the founding directors of the Company appointed by the Plaintiff (the "Founders") would not walk away from the Company once the Investors had committed funding to the Company.

3. Under the terms of the Restricted Share Agreement, the Company is entitled to repurchase the Plaintiff's Ordinary Shares (the "Restricted Shares") at par value (US\$0.001) upon the termination of any Founder's employment, within 60 days of that termination, by written notice to the Plaintiff. If the Company is unable to or does not exercise its repurchase right, it is required to notify the Investors who will themselves have the right to exercise the repurchase right within a further 60 days.
4. The repurchase right will terminate:
  - a. As to 25% of the Restricted Shares, on the first anniversary of the full-time employment of the Founders by the Company; and
  - b. As to the remaining 75% of the Restricted Shares, abating in 36 equal monthly instalments, commencing on the first month after the first anniversary of full-time employment.
5. On 11 December 2007, Mr. Fan Zhang, a Founder of the Company, resigned as Chief Executive Officer of the Company with effect from 1 January 2008. However, Mr. Fan Zhang continued to be employed by the Company as Public Representative and Strategic Product Officer. No action was taken by the Company or could be taken by the Company to exercise its repurchase right pursuant to the Restricted Share Agreement after the resignation of Mr. Fan Zhang as Chief Executive Officer.
6. On or about 26 March 2008, the Investors (through their attorneys) sent a notice to Company Incorporations Asia Limited ("CIA") which was purportedly acting as the Company's Secretary, advising that the Investors had taken up the share repurchase right which had not been invoked by the Company and requested that CIA transfer 1,801,451 of the Plaintiff's shares to the Investors pro rata to their shareholding. The transfer request was supported by completed share transfer forms which had been signed in blank by the Plaintiff at the time of executing the Restricted Share Agreement.

7. However, the repurchase right had not vested in the Company or the Investors by virtue of the fact that Mr. Fan Zhang continued to be employed by the Company (albeit not as Chief Executive Officer), and so the condition to exercising the repurchase right had not accrued. The purported exercise of the repurchase right by the Investors was accordingly invalid and of no effect.
8. Nevertheless, CIA, acting on the instructions of the Investors, duly updated the Register of Members of the Company on 28 March 2008 reflecting 1,801,451 of the Plaintiff's Ordinary Shares as held by the Investors, leaving the Plaintiff with 1,898,943 Ordinary Shares. However, at no time did the Board of Directors approve the transfer of shares aforesaid.
9. On 1 April 2008, CIA advised the Plaintiff that the changes to the Register of Members had been reversed in light of complaints made by the Plaintiff that the share transfers purportedly made under the terms of the Restricted Share Agreement were invalid.
10. Nevertheless, on 31 March 2008 the Investors convened an Extraordinary General Meeting of the Company to be held on short notice on 2 April 2008 (the "EGM"). At the EGM, various actions were taken by the Investors including:
  - a. Revising and amending the Articles of Association of the Company; and
  - b. Removing a number of the existing directors and appointing a new director.
11. The EGM was not validly convened and the actions taken thereat were not valid as:
  - a. 20 days' notice as required by the Articles of the Company was not provided of the EGM but the Investors instead purported to ratify the calling of the EGM on short notice on the basis that they held a 75%

majority of the Ordinary Shares of the Company (on an as-converted basis). Such 75% majority would only be achieved by the Investors if the purported acquisition of shares pursuant to the repurchase right had been validly effected.

- b. As of 31 March 2008 the Register of Members of the Company did reflect alternatively should properly have reflected the original position prior to the purported exercise of the repurchase right (due to the mistaken changes made on 28 March 2008 having been reversed by CIA), so that the Investors did not have a sufficient majority of 75% to consent to short notice of the EGM.
  - c. CIA was formally dissolved as a legal entity in the P.R. China on 10 February 2008 so that no actions taken by CIA purportedly as the Company's Secretary thereafter were valid and no changes purportedly made to the Register of Members after 4 February 2008 by CIA, were valid.
  - d. Under Article 19(a) of the Company's Articles, a resolution to decrease the number of directors or amend the Articles requires prior written approval of the majority of the holders of the outstanding Ordinary Shares of the Company, which majority was not achieved if the transfer of the Ordinary Shares was not effective.
12. Notwithstanding the above, the Company now appears to be acting through the newly appointed Board of Directors on the basis that the resolutions taken at the 2 April 2008 EGM were valid.
13. In all the circumstances, the Plaintiff is entitled to orders as prayed, in order to reinstate the shareholding of the Company to the position prior to the purported exercise of the repurchase right and to declare as invalid and of no effect the

resolutions purportedly passed by the Investors at the invalidly convened and constituted EGM held on 2 April 2008.

AND LET THE DEFENDANTS within 28 days after service of this Summons on them, counting the day of service, return the accompanying Acknowledgement of Service to the Courts office, PO Box 495, George Town, Grand Cayman KY1-1106.

Dated this 13<sup>th</sup> day of August 2008

Appleby

APPLEBY

**NOTES:**

- (1) This Summons may not be served later than 4 calendar months (*or, if leave is required to effect service out of the jurisdiction, 6 months*) beginning with the above date unless renewed by order of the Court.
- (2) If a defendant does not attend personally or by his attorney at the time and place above-mentioned such order will be made as the Court may think just and expedient.

**IMPORTANT**

Directions for Acknowledgement of Service are given with the accompanying form.

THIS ORIGINATING SUMMONS was issued by Appleby, Attorneys-at Law for the Plaintiff, whose address for service is Clifton House, 75 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands (Ref: JT/17749.001).