

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

VIPSHOP HOLDINGS LIMITED

(Name of Issuer)

Ordinary Shares, par value \$0.0001 per share

(Title of Class of Securities)

G93629106

(CUSIP Number)

No. 20 Huahai Street
Liwan District, Guangzhou 510370
The People's Republic of China
Attention: Jacky Xu
+86 (20) 2233 0000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

With a copy to:
Z. Julie Gao, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
c/o 42/F, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong
Phone: (852) 3740-4700

February 11, 2013

(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No.

G93629106

1	Names of Reporting Persons Advanced Sea International Limited	
2	Check the Appropriate Box if a Member of a Group (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC Use Only	
4	Source of Funds (See Instructions) PF	
5	Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="checkbox"/>	
6	Citizenship or Place of Organization British Virgin Islands	
Number of Shares Beneficially	7	Sole Voting Power 5,763,541

Owned by Each Reporting Person With	8	Shared Voting Power 0
	9	Sole Dispositive Power 5,763,541
	10	Shared Dispositive Power 0
11	Aggregate Amount Beneficially Owned by Each Reporting Person 5,763,541	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>	
13	Percent of Class Represented by Amount in Row (11) 5.7%	
14	Type of Reporting Person (See Instructions) CO	

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CUSIP No.

1	Names of Reporting Persons Jacky Xu	
2	Check the Appropriate Box if a Member of a Group (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC Use Only	
4	Source of Funds (See Instructions) PF	
5	Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>	
6	Citizenship or Place of Organization Saint Christopher and Nevis	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 5,763,541*
	8	Shared Voting Power 0
	9	Sole Dispositive Power 5,763,541*
	10	Shared Dispositive Power 0
11	Aggregate Amount Beneficially Owned by Each Reporting Person 5,763,541	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>	
13	Percent of Class Represented by Amount in Row (11) 5.7%	
14	Type of Reporting Person (See Instructions) IN	

* consists of 5,763,541 ordinary shares held by Advanced Sea International Limited, a British Virgin Islands company wholly owned by Mr. Jacky Xu.

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This Statement on Schedule 13D (this “Statement”) relates to the ordinary shares, par value \$0.0001 per share (the “Shares”), of Vipshop Holdings Limited, a company organized under the laws of the Cayman Islands (the “Company”), whose principal executive offices are located at No. 20 Huahai Street, Liwan District, Guangzhou 510370, the People’s Republic of China.

Item 2. Identity and Background.

(a) This Statement is being filed by Advanced Sea International Limited, a company organized under the laws of the British Virgin Islands (“Advanced Sea”) and Mr. Jacky Xu (“Mr. Xu”, together with Advanced Sea, the “Reporting Persons”). The agreement by and between the Reporting Persons relating to the joint filing of this Statement is attached to this Statement as Exhibit A.

(b) The principal business and office address of each of the Reporting Persons:

For Advanced Sea:

Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;

For Mr. Xu:

No. 20 Huahai Street, Liwan District, Guangzhou 510370, the People’s Republic of China.

(c) Mr. Xu is one of the nine directors of the Company. In addition, Mr. Xu is the sole shareholder of the Advanced Sea.

Advanced Sea is formed to hold and dispose of Mr. Xu’s beneficial ownership in the Shares of the Company and to take all actions incidental thereto.

(d) - (e) During the last five years, none of the Reporting Persons has been: (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding 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) Mr. Xu is a citizen of Saint Christopher and Nevis.

Item 3. Source and Amount of Funds or Other Consideration.

The aggregate number of Shares beneficially owned by the Reporting Persons is 5,763,541, including (a) 4,752,155 Shares that were acquired by the Reporting Persons, as early-stage investors, at formation and subsequent financing activities of the Company prior to the Company’s initial public offering of its American depository shares, each representing two Shares, in March 2012 (the “Pre-IPO Shares”); and (b) 1,011,386 Shares that were acquired by the Reporting Persons pursuant to a privately negotiated share purchase agreement entered into between Advanced Sea and Dynasty Mount Enterprises Limited (“Dynasty Mount”), a British Virgin Islands company, on February 11, 2013 (the “Share Purchase Agreement”). Dynasty Mount is wholly owned by another early-stage investor of the Company. A copy of the Share Purchase Agreement is attached hereto as Exhibit B.

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Pursuant to the Share Purchase Agreement, Advanced Sea purchased 1,011,386 Shares from Dynasty Mount for an aggregate purchase price of US\$3,287,004.5. Advanced Sea paid the purchase price out of funds personally owned by Mr. Xu.

Item 4. Purpose of Transaction.

The Reporting Persons have acquired the Pre-IPO Shares as early-stage investors of the Company, and acquired the 1,011,386 Shares pursuant to the Share Purchase Agreement for long-term investment purposes. The Reporting Persons have no plans or proposals as of the date of this filing which, other than as expressly set forth below, relate to, or would result in, any of the actions enumerated in Item 4 of the instructions to Schedule 13D.

Other than the purpose stated above, the Reporting Persons have no plans or proposals as of the date of this filing which relates to or would result in any of the matters enumerated in clauses (a) through (j), inclusive, of Item 4 of Schedule 13D.

The Reporting Persons reserve the right to be in contact with members of the Company’s management, the members of the Board, other significant shareholders and others regarding alternatives that the Company could employ to increase shareholder value.

The Reporting Persons reserve the right to, at any time and from time to time, effect transactions in the open market or in privately negotiated transactions that would change the number of Shares they may be deemed to beneficially own.

The Reporting Persons further reserve the right to act in concert with any other shareholders of the Company, or other persons, for a common purpose should it determine to do so, and/or to recommend courses of action to the Company’s management, the Board, the Company’s shareholders and others.

Item 5. Interest in Securities of the Issuer.

(a) – (b) The responses to Rows (7) through (13) of the cover pages of this Statement are hereby incorporated by reference in this Item 5.

Upon the closing of the transaction contemplated by the Share Purchase Agreement, Advanced acquired 1,011,386 Shares. Together with the 4,752,155 Shares it had already held prior to the closing date, Advanced Sea is deemed to beneficially own 5,763,541 Shares, representing 5.7% of the Company’s total outstanding Shares. The percentages used herein are calculated based upon 101,538,565 ordinary shares, par value \$0.0001 per share, of the Company issued and outstanding as of December 31, 2012.

(c) Except as set forth in Item 4 and Item 5, to the knowledge of the Reporting Persons, no transactions in any of the Shares have been effected by any Reporting Person during the past sixty days.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The information set forth in Items 3 above is hereby incorporated by reference in this Item 6.

Except as described above or elsewhere in this Statement or incorporated by reference in this Statement, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons and between the Reporting Persons and any person with respect to any securities of the Company, including, but not limited to, transfer or voting of any securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
A	Joint Filing Agreement, dated February 20, 2013 by and between the Reporting Persons
B	Share Purchase Agreement, dated as of February 11, 2013, between Advanced Sea International Limited and Dynasty Mount Enterprise Limited

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.

Dated: February 20, 2013

Advanced Sea International Limited

By: /s/ Jacky Xu
Name: Jacky Xu
Title: Director

Jacky Xu

/s/ Jacky Xu
Jacky Xu

Joint Filing Statement

We, the undersigned, hereby express our agreement that the attached Schedule 13D is, and any further amendments thereto signed by or on behalf of each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended. This agreement may be terminated with respect to the obligations to jointly file future amendments to such statement on Schedule 13D as to any of the undersigned upon such person giving written notice thereof to each of the other persons signatory hereto, at the principal office thereof.

Dated: February 20, 2013

Advanced Sea International Limited

By: /s/ Jacky Xu
Name: Jacky Xu
Title: Director

Jacky Xu

/s/ Jacky Xu
Jacky Xu

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "Agreement") is made as of February 11, 2013 by and between:

- (1) Dynasty Mount Enterprises Limited (the "Seller"), a British Virgin Islands company whose registered office is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;
- (2) Advanced Sea International Limited (the "Purchaser"), a British Virgin Islands company whose registered office is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands;
- (3) Mr. Xing Peng (ID/Passport No. 330302197001294811) whose principal address is No. 20 Huahai Street, Liwan District, Guangzhou 510370, The People's Republic of China; and
- (4) Mr. Jacky Xu (ID/Passport No. RE0006466) whose principal address is No. 20 Huahai Street, Liwan District, Guangzhou 510370, The People's Republic of China.

The Purchaser, the Seller, Mr. Xing Peng and Mr. Jacky Xu shall be individually referred to as a "Party", and collectively as the "Parties."

RECITALS

WHEREAS, the Seller is wholly owned and controlled by Mr. Xing Peng and the Purchaser is wholly owned and controlled by Mr. Jacky Xu.

WHEREAS, Mr. Xing Peng desires to cause the Seller to sell to the Purchaser, and Mr. Jacky Xu desires to cause the Purchaser to purchase from the Seller, the Shares (as defined below) owned by the Seller on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE

Section 1.1 Sale and Purchase of Ordinary Shares. Subject to the terms and subject to the conditions of this Agreement, at the Closing (as defined below), the Seller hereby agrees to sell and deliver to the Purchaser, an aggregate of 1,011,386 ordinary shares of Vipshop Holdings Limited, a company organized under the laws of the Cayman Island (the "Company"), par value of US\$ 0.0001 per share (the "Shares"), and the Purchaser hereby agrees to purchase from the Seller that number of Shares at a per share purchase price of US\$3.25 for an aggregate purchase price of US\$3,287,004.5 (the "Purchase Price").

Section 1.2 Closing.

(a) Closing. The closing (the "Closing") of the sale and purchase of the Shares pursuant to Section 1.1 shall take place promptly after the execution of this Agreement at such time and place as the Parties may mutually agree. The date and time of the Closing are referred to herein as the "Closing Date."

(b) Payment and Delivery.

(i) At the Closing, the Purchaser shall pay and deliver the Purchase Price to the Seller in U.S. dollars by wire transfer, or by such other method mutually agreeable to the Parties, of immediately available funds to such bank account designated in writing by the Seller, and the Seller shall deliver to the Company a duly executed share transfer instrument as set forth in Exhibit A attached hereto (the "Transfer Instrument") together with duly executed share certificate(s) in original form (if any), evidencing the Shares to be sold by the Purchaser. Upon the Company's receipt of the Transfer Instrument and the returned share certificate(s) (if any), the Company will cause to be cancelled the number of Shares registered under the name of the Seller, and promptly record the Purchaser as the owner of such Shares and update the register of members to reflect the sale and purchase of Shares.

(ii) Promptly after the Closing, the Seller shall cause the Company to deliver a certified true copy of the register of the members of the Company, evidencing the Shares that have been sold to the Purchaser and, if requested by the Purchaser, stock certificate representing the Shares in the name of the Purchaser.

(c) Restrictive Legend. Each certificate representing the Shares shall be endorsed with the following legend:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED: (A) IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (2) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS OR (3) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED; AND (B) WITHIN THE UNITED STATES OR TO ANY U.S. PERSON, AS EACH OF THOSE TERMS IS DEFINED IN REGULATIONS UNDER THE ACT, DURING THE 40 DAYS FOLLOWING CLOSING OF THE PURCHASE. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of Mr. Xing Peng and the Seller. Mr. Xing Peng and the Seller hereby represent and warrant to Mr. Jacky Xu and the Purchaser, as of the date hereof and as of the Closing Date, as follows:

(a) Authority. The Seller is wholly owned and controlled by Mr. Xing Peng. Each of Mr. Xing Peng and the Seller has full power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by Mr. Xing Peng or the Seller, as the case may be, pursuant to this Agreement and to perform its obligations hereunder. The execution and delivery by the Seller of this Agreement and the performance by the Seller of its obligations hereunder have been duly authorized by all requisite actions on its part.

(b) Valid Agreement. This Agreement has been duly executed and delivered by Mr. Xing Peng and the Seller and constitutes legal, valid and binding obligations of Mr. Xing Peng and the Seller, enforceable against it 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.

(c) Valid Title to the Shares. The Shares held by the Seller are duly authorized, validly issued, outstanding, fully paid and non-assessable. Immediately prior to the Closing, the Seller has good and valid title to the Shares and owns the Shares beneficially and of record, free and clear of any pledge, mortgage, security interest, encumbrance, lien, charge, assessment, right of first refusal, right of pre-emption, third party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement.

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(d) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify, or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which Mr. Xing Peng or the Seller is a party or by which Mr. Xing Peng or the Seller is bound or to which any of Mr. Xing Peng's or the Seller's assets are subject. There is no action, suit or proceeding, pending or threatened against Mr. Xing Peng or the Seller that questions the validity of this Agreement or the right of Mr. Xing Peng or the Seller to enter into this Agreement or to consummate the transactions contemplated hereby or thereby.

(e) Consents and Approvals. Neither the execution and delivery by Mr. Xing Peng or the Seller of this Agreement, nor the consummation by Mr. Xing Peng or the Seller of any of the transactions contemplated hereby, nor the performance by Mr. Xing Peng or the Seller of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing Date.

(f) Incorporation and Existing. The Seller has been duly incorporated and is validly existing and in good standing under the laws of the British Virgin Islands.

Section 2.2 Representations and Warranties of the Purchaser. Mr. Jacky Xu and the Purchaser hereby represent and warrant to Mr. Xing Peng and the Seller as of the date hereof and as of the Closing Date, as follows:

(a) Authority. The Seller is wholly owned and controlled by Mr. Jacky Xu. Each of Mr. Jacky Xu and the Purchaser has full power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by Mr. Jacky Xu or the Purchaser pursuant to this Agreement and to perform its obligations hereunder. The execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations hereunder have been duly authorized by all requisite actions on its part.

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(b) Valid Agreement. This Agreement has been duly executed and delivered by Mr. Jacky Xu and the Purchaser and constitutes the legal, valid and binding obligation of Mr. Jacky Xu and the Purchaser, enforceable against it 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.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify, or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which Mr. Jacky Xu or the Purchaser is a party or by which Mr. Jacky Xu or the Purchaser is bound or to which any of Mr. Jacky Xu's or the Purchaser's assets are subject. There is no action, suit or proceeding, pending or threatened against Mr. Jacky Xu or the Purchaser that questions the validity of this Agreement or the right of Mr. Jacky Xu or the Purchaser to enter into this Agreement or to consummate the transactions contemplated hereby or thereby.

(d) Consents and Approvals. Neither the execution and delivery by Mr. Jacky Xu and the Purchaser of this Agreement, nor the consummation of any of the transactions contemplated hereby, nor the performance by Mr. Jacky Xu or the Purchaser of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing Date.

(e) Status and Investment Intent.

(i) Experience. Mr. Jacky Xu and the Purchaser have sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares. Mr. Jacky Xu and the Purchaser is capable of bearing the economic risks of such investment, including a complete loss of its investment.

(ii) Purchase Entirely for Own Account. The Purchaser is acquiring the Shares that it is purchasing pursuant to this Agreement for investment for its own account for investment purposes only and not with the view to, or with any intention of, resale, distribution or other disposition thereof. The Purchaser does not have any direct or indirect arrangement, or understanding with any other persons to distribute, or regarding the distribution of the Shares in violation of the Securities Act or any other applicable state securities law.

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(iii) Restricted Securities. Mr. Jacky Xu and the Purchaser understand that the Shares are not publicly traded, are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any state securities law. Mr. Jacky Xu and the Purchaser understand that because the Shares have not been registered under the Securities Act, the Shares cannot be sold unless the Shares are subsequently registered or an exemption from registration is available. Mr. Jacky Xu and the Purchaser acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Securities and requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

(iv) Information. Mr. Jacky Xu and the Purchaser have been furnished access to all materials and information they have requested relating to the Company and other due diligence documents in order to evaluate the transactions contemplated by this Agreement. Mr. Jacky Xu and the Purchaser have consulted, to the extent deemed appropriate by them, with their own advisers as to the financial, tax, legal and related matters concerning an investment in the Shares and on that basis believes that an investment in the Shares is suitable and appropriate for Mr. Jacky Xu and the Purchaser.

(v) Not U.S. Person. The Purchaser is not a "U.S. person" as defined in Rule 902 of Regulation S of the Securities Act (the "Regulation S").

(vi) FINRA. The Purchaser does not, directly or indirectly, own more than five per cent of the outstanding common stock (or other voting securities) of any member of the Financial Industry Regulatory Authority, Inc. ("FINRA") or a holding company for a FINRA member, and is not otherwise a "restricted person" for the purposes of the Free-Riding and Withholding Interpretation of FINRA.

ARTICLE III

INDEMNIFICATION

Section 3.1 Indemnification. Each of the Seller and the Purchaser (an "Indemnifying Party") shall indemnify and hold each other and their affiliates and agents (collectively, the "Indemnified Party") harmless from and against any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding, and any taxes or levies that may be payable by such person by reason of the indemnification of any indemnifiable loss hereunder (collectively, "Losses") resulting from or arising out of: (i) the breach of any representation or warranty of such Indemnifying Party contained in this Agreement; or (ii) the violation or nonperformance, partial or total, of any covenant or agreement of such Indemnifying Party contained in this Agreement for reasons other than gross negligence or willful misconduct of such Indemnified Party. In calculating the amount of any Losses of an Indemnified Party hereunder, there shall be subtracted the amount of any insurance proceeds and third-party payments received by the Indemnified Party with respect to such Losses, if any.

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Section 3.2 Indemnity Notice. In the event any Indemnified Party should have a claim against the Indemnifying Party hereunder, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's best estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from its receipt of the Indemnity Notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

Section 3.3 Cap. Notwithstanding the foregoing, the Indemnifying Party shall have no liability (for indemnification or otherwise) with respect to any Losses in excess of the Purchase Price.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Survival of the Representations and Warranties. All representations and warranties made by any Party shall survive for two years and shall terminate and be without further force or effect on the second anniversary of the date hereof, except as to (i) any claims thereunder which have been asserted in writing pursuant to Section 3.1 against the Party making such representations and warranties on or prior to such second anniversary, and (ii) the Seller's representations contained in Section 2.1(a), (b) and (c) hereof, each of which shall survive indefinitely.

Section 4.2 Governing Law; Arbitration. This Agreement shall be governed and interpreted in accordance with the laws of the Cayman Islands. Any dispute arising out of or relating to this Agreement, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in force. There shall be three arbitrators. Each Party has the right to appoint one arbitrator and the third arbitrator shall be appointed by the Hong Kong International Arbitration Centre. The language to be used in the arbitration proceedings shall be English.

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Section 4.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the Parties hereto.

Section 4.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, each of the Seller and the Purchaser and their respective heirs, successors and permitted assigns and legal representatives.

Section 4.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Seller or the Purchaser without the express written consent of the other Party. Any purported assignment in violation of the foregoing sentence shall be null and void.

Section 4.6 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of actual delivery if delivered personally to the Party to whom notice is to be given, on the date sent if sent by telecopier, tested telex or prepaid telegram, on the next business day following delivery to Federal Express properly addressed or on the day of attempted delivery by the applicable postal service if mailed by registered or certified mail, return receipt requested, postage paid, and properly addressed as follows:

If to the Purchaser or Mr. Jacky Xu, at:

Jacky Xu

No. 20 Huahai Street, Liwan District, Guangzhou 510370, The People's Republic of China

If to the Seller or Mr. Xing Peng, at:

Xing Peng

No. 20 Huahai Street, Liwan District, Guangzhou 510370, The People's Republic of China

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Any Party may change its address for purposes of this Section 4.6 by giving the other Party hereto written notice of the new address in the manner set forth above.

Section 4.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the Parties with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby are merged and superseded by this Agreement.

Section 4.8 Severability. If any provisions of this Agreement shall be adjudicated to be illegal, invalid or unenforceable in any action or proceeding whether in its entirety or in any portion, then such provision shall be deemed amended, if possible, or deleted, as the case may be, from the Agreement in order to render the remainder of the Agreement and any provision thereof both valid and enforceable, and all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

Section 4.9 Fees and Expenses. Except as otherwise provided in this Agreement, the Seller and the Purchaser shall bear their respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

Section 4.10 Specific Performance. The Parties agree that irreparable damage would occur in the event any provision of this Agreement were 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.

Section 4.11 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the section so designated.

Section 4.12 Execution in Counterparts. For the convenience of the Parties and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

Seller:

DYNASTY MOUNT ENTERPRISES LIMITED

