

Tuniu Corp
Form F-1/A
May 06, 2014
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As filed with the Securities and Exchange Commission on May 6, 2014

Registration No. 333-195075

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Tuniu Corporation

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands (State or other jurisdiction of	4700 (Primary Standard Industrial	Not Applicable (I.R.S. Employer
incorporation or organization)	Classification Code Number) Tuniu Building, No. 699-32	Identification Number)

Xuanwudadao, Xuanwu District

Nanjing, Jiangsu Province 210042

People's Republic of China

Tel: +86 25 8685-3969

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

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

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount of shares to be registered ⁽¹⁾⁽²⁾	Proposed maximum offering price per share ⁽¹⁾	Proposed maximum aggregate offering price ⁽¹⁾⁽²⁾	Amount of registration fee
Class A ordinary shares, par value US\$0.0001 per share ⁽²⁾⁽³⁾	27,600,000	US\$3.67	US\$101,200,000	US\$13,034.56 ⁽⁴⁾

(1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(a) under the Securities Act.

(2) Includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public, and also includes ordinary shares that may be purchased by the underwriters pursuant to an over-allotment option. These Class A

ordinary shares are not being registered for the purpose of sales outside the United States.

- (3) American depositary shares issuable upon deposit of the Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 with the Securities and Exchange Commission (Registration No. 333-195515). Each American depositary share represents three Class A ordinary shares.
- (4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We and the selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued May 6, 2014

8,000,000 American Depositary Shares

Tuniu Corporation

REPRESENTING 24,000,000 CLASS A ORDINARY SHARES

Tuniu Corporation is offering 7,380,000 American depositary shares, or ADSs, and the selling shareholders are offering 620,000 ADSs. Each ADS represents three Class A ordinary shares, par value US\$0.0001 per share. This is our initial public offering and no public market currently exists for our ADSs or Class A ordinary shares. We anticipate the initial public offering price of our ADSs will be between US\$9.00 and US\$11.00 per ADS.

Upon completion of this offering, we will have a dual class ordinary share structure. Our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten votes per share. Holders of Class A and Class B ordinary shares will vote together as one class on all matters that require a shareholders' vote. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance. Upon the completion of this offering, our existing shareholders will own an aggregate of 106,764,391 Class B ordinary shares, which will represent 96.9% of the then total voting power of our outstanding shares, assuming the initial public offering price will be US\$10.00 per ADS, the mid-point of the estimated initial public offering price range shown herein.

We are an emerging growth company under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

*We have applied for the listing of our ADSs on the NASDAQ Global Market under the symbol **TOUR**.*

Investing in the ADSs involves risks. See Risk Factors beginning on page 13.

	<i>PRICE US\$</i>	<i>AN ADS</i>		
	<i>Price to public</i>	<i>Underwriting Discounts and Commissions</i>	<i>Proceeds before expenses to Company</i>	<i>Proceeds before expenses to Selling Shareholders</i>
<i>Per ADS</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<i>Total</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>

We have granted the underwriters the right to purchase up to 1,200,000 additional ADSs to cover over-allotments within 30 days after the date of this prospectus. We will not receive any of the proceeds from the sale of the ADSs by the selling shareholders.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs to purchasers on _____, 2014.

MORGAN STANLEY

CREDIT SUISSE

CHINA RENAISSANCE

, 2014

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

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until _____, 2014 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in the ADSs, you should carefully read the entire prospectus, including our financial statements and related notes included in this prospectus and the information set forth under the headings Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations. In addition, we commissioned iResearch Consulting Group, or iResearch, a third-party research firm, to prepare a report for the purpose of providing various industry and other information and illustrating our position in the leisure travel industry in China. Information from the report prepared by iResearch, or the iResearch Report, appears in Prospectus Summary, Management's Discussion and Analysis of Financial Condition and Results of Operations, Industry Overview, Business and other sections of this prospectus. We have taken such care as we consider reasonable in the reproduction and extraction of information from the iResearch Report and other third-party sources.

Our Business

We are a leading online leisure travel company in China. We offer a large selection of packaged tours, including organized tours and self-guided tours, as well as travel-related services for leisure travelers. We ranked first in China's online organized tours market as measured by transaction value in 2013, according to iResearch, a third-party research firm. We believe we are well positioned to benefit from the significant growth potential of China's online leisure travel market, which is expected to grow at a compound annual growth rate, or CAGR, of 35.6% from 2013 to 2016 as measured by transaction value, according to iResearch.

We started offering packaged tours online in 2007, and are among the earliest Chinese companies that focus on the online leisure travel market. As an early mover in China's online leisure travel market, we have sold over three million packaged tours since our inception. We offer packaged tours sourced from over 3,000 travel suppliers, covering over 70 countries as well as all popular tourist attractions in China. Our product portfolio consists of over 100,000 stock-keeping units, or SKUs, of organized tours, over 100,000 SKUs of self-guided tours, and tickets for over 1,000 domestic and overseas tourist attractions. Our core strength is in overseas leisure travel products and services, which contributed over 70% of our gross bookings in 2013.

We have established Tuniu as a trusted and widely recognized brand in leisure travel in China, powered by a compelling customer experience. Our online platform, which comprises our *tuniu.com* website and mobile platform, provides comprehensive product and travel information through user-friendly interfaces to enable leisure travelers to plan their travels and search for itineraries that best suit their needs. Our online platform contains travel guides featuring photos, information and recommendations for all destinations we cover, as well as user-generated content that serves as valuable references for other travelers. We have more than 900,000 customer reviews about our products and services and over 20,000 travel stories on our online platform.

To cultivate customer loyalty and ensure customer satisfaction, we complement our online platform with an extensive nationwide service network, including our centralized call center in Nanjing and 15 regional service centers across China. We have a team of over 400 well-trained tour advisors to closely assist customers through their booking process. We believe that our high-quality customer service has contributed to the continuous growth in our customer base. The total number of trips sold by us grew from approximately 850,000 in 2012 to approximately 1,280,000 in 2013.

Our recognized brand in leisure travel and growing customer base enable us to source a broad range of products from high-quality travel suppliers at competitive prices. We rigorously select our travel suppliers to

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ensure quality and reliability. We have developed our proprietary supply chain management system N-booking system to streamline our interactions with travel suppliers, allowing them to receive booking information real-time, more efficiently manage travel products and better understand customer preferences.

We have achieved significant growth in recent years. Our net revenues increased from RMB765.5 million in 2011 to RMB1,112.9 million in 2012 and further to RMB1,949.7 million (US\$322.1 million) in 2013, representing a CAGR of 59.6%, and from RMB369.3 million in the three months ended March 31, 2013 to RMB578.2 million in the three months ended March 31, 2014. We had a net loss of RMB91.9 million, RMB107.2 million and RMB79.6 million (US\$13.2 million) in 2011, 2012 and 2013, respectively. Our net loss was RMB62.7 million in the three months ended March 31, 2014, compared to net loss of RMB5.4 million in the three months ended March 31, 2013. We generally collect payments from our customers upon contract confirmation before we pay our travel suppliers, which allows us to generate positive cash flow from operations. Our net cash provided by operating activities was RMB36.3 million, RMB14.7 million and RMB116.7 million (US\$19.3 million) in 2011, 2012 and 2013, respectively.

Our ability to achieve and maintain profitability depends on our ability to effectively reduce our costs and expenses as a percentage of our net revenues. Our cost of revenues as a percentage of our net revenues decreased from 96.9% in 2011 to 96.5% in 2012 and further to 93.8% in 2013. Cost to suppliers of our organized tours, which were attributed solely to revenues from organized tours, accounted for 92.1%, 93.8% and 92.4% of our revenues from organized tours in 2011, 2012 and 2013, respectively. Our operating expenses as a percentage of our net revenues decreased from 16.2% in 2011 to 13.7% in 2012 and further to 11.1% in 2013. Such decreases were primarily attributable to the improved operational efficiency and decrease of our average procurement costs for travel products. However, our past results of operations should not be taken as indicative of our future performance. We plan to increase our sales and marketing efforts, including advertising campaigns, to further increase our market share. Our sales and marketing expenses increased from RMB13.0 million in the three months ended March 31, 2013 to RMB73.5 million in the three months ended March 31, 2014. We also expect our share-based compensation to increase. As a result, we expect our operating expenses to increase in absolute amount. If we fail to effectively reduce our costs and expenses as a percentage of our net revenues, we may not be able to achieve and maintain profitability.

Our Industry

Demand for vacation, recreation and other forms of leisure travel has risen rapidly in China, driven by higher levels of disposable income, favorable government policies and growing interests in leisure activities. According to iResearch, the leisure travel industry in China, which primarily includes organized tours and self-guided tours, is expected to grow at a CAGR of 13.3% from RMB394.0 billion (US\$65.1 billion) in 2013 to reach RMB573.0 billion (US\$94.7 billion) in 2016, as measured by transaction value.

The online leisure travel market in China enjoys a significantly higher growth rate compared to the overall leisure travel industry. China's online leisure travel market is expected to grow at a CAGR of 35.6% from 2013 to 2016 to reach RMB75.5 billion (US\$12.5 billion), according to iResearch. The penetration rate of China's online leisure travel market remains low. The size of the online leisure travel market as a percentage of the overall leisure travel industry in China was only 7.7% in 2013 and is expected to reach 13.2% in 2016, according to iResearch.

The rapid growth of China's online leisure travel market is mainly driven by the migration of leisure travel bookings from offline to online and the increasing popularity of overseas travel among Chinese consumers. Inefficiencies in offline leisure travel bookings, the increasing Internet and mobile Internet penetration and a surging trend of shopping online have all contributed to the growth in online leisure travel bookings. At the same time, rising disposable income, an expanding middle class and relaxing visa requirements are leading to the growth in overseas travel demand. As such, the online leisure travel market has been, and is expected to continue to be, the fastest growing segment in the

online travel industry in China.

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Our Competitive Strengths

We believe the following competitive strengths have contributed to our strong market position:

leading online leisure travel company;

trusted brand powered by compelling customer experience;

comprehensive product offerings;

extensive supplier network and strong supply chain management expertise; and

robust technology capabilities.

Our Strategies

Our goal is to become Chinese consumers' destination for leisure travel products and services. We aim to further expand our online leisure travel market share by pursuing the following strategies:

expand our product selection and offering;

further grow our user base and increase our user engagement;

strengthen supply chain management;

enhance our mobile platform;

continue to invest in technology and product development capabilities; and

pursue strategic alliances and acquisitions.

Our Challenges

The successful execution of our strategies is subject to risks and uncertainties related to our business and industry, including those relating to our ability to:

adapt to declines and disruptions in the leisure travel industry in China;

continue to provide competitive travel products and services;

maintain the quality of customer services;

adequately control and ensure the quality of travel products and services sourced from our travel suppliers;

achieve and maintain profitability given our history of net losses;

adapt to the more stringent regulations on tour operators under the newly promulgated Tourism Law;

compete successfully against existing and new competitors;

enhance our brand recognition;

manage the proceedings or claims arising from travel-related accidents or customer misconducts; and

maintain the satisfactory performance of our online platform and management systems.

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In addition, we face risks and uncertainties related to our corporate structure and doing business in China, including:

risks associated with our control over Nanjing Tuniu Technology Co., Ltd., or Nanjing Tuniu, which is based on contractual arrangements rather than equity ownership, including our ability to use and enjoy assets held by Nanjing Tuniu and its subsidiaries that are material to the operation of our business, such as the domain names and trademarks held by Nanjing Tuniu;

risks related to the potential conflicts of interest between the shareholders of Nanjing Tuniu and our company;

uncertainties associated with the interpretation and application of PRC regulations and policies, including those relating to the distribution of internet content in China; and

risks related to our ability to use the proceeds of this offering to make additional capital contributions or loans to our PRC subsidiaries as a result of PRC regulations and governmental control of currency conversion.

See Risk Factors and Special Note Regarding Forward-Looking Statements for a discussion of these and other risks and uncertainties associated with our business and investing in our ADSs.

Corporate History and Structure

We began our operation in China through Nanjing Tuniu, a PRC company formed in December 2006. In June 2008, we incorporated Tuniu Corporation under the laws of the Cayman Islands as our offshore holding company in order to facilitate international financing. In May 2011, we established our wholly owned Hong Kong subsidiary, Tuniu (HK) Limited. Tuniu Corporation established a wholly owned PRC subsidiary, Beijing Tuniu Technology Co., Ltd., or Beijing Tuniu, in September 2008. Tuniu (HK) Limited established another wholly owned PRC subsidiary, Tuniu (Nanjing) Information Technology Co., Ltd., in August 2011, and acquired 100% of the equity interests in Beijing Tuniu in September 2011. Through Beijing Tuniu, we obtained control over Nanjing Tuniu by entering into a series of contractual arrangements, including purchase option agreement, equity interest pledge agreement, shareholders' voting rights agreement, powers of attorney and cooperation agreement, with Nanjing Tuniu and the shareholders of Nanjing Tuniu. Nanjing Tuniu holds our Internet content provision license, or ICP license, as an Internet content provider and operates our website. Beijing Tuniu International Travel Service Co., Ltd. and Nanjing Tuniu International Travel Service Co. Ltd., both of which are Nanjing Tuniu's subsidiaries, hold our operation permits for overseas travel business.

These contractual arrangements allow us to:

exercise effective control over Nanjing Tuniu;

receive substantially all of the economic benefits of Nanjing Tuniu; and

have an option to purchase all or part of the equity interests in Nanjing Tuniu when and to the extent permitted by PRC law.

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The following diagram illustrates our corporate structure, including our principal subsidiaries and consolidated affiliated entities, as of the date of this prospectus:

- (1) Messrs. Dunde Yu, Haifeng Yan, Tong Wang, Jiping Wang, Xin Wen, Yongquan Tan and Haifeng Wang hold 28.66%, 19.11%, 7.71%, 4.82%, 0.96%, 0.96% and 37.78% equity interests in Nanjing Tuniu, respectively. Among the shareholders of Nanjing Tuniu, Messrs. Dunde Yu and Haifeng Yan are founders, directors and ultimate shareholders of Tuniu Corporation. Messrs. Tong Wang, Jiping Wang, Xin Wen and Yongquan Tan are ultimate shareholders of Tuniu Corporation. Mr. Haifeng Wang is an employee of one of our preferred shareholders.

Corporate Information

Our principal executive offices are located at Tuniu Building, No.699-32, Xuanwudadao, Xuanwu District, Nanjing, Jiangsu Province 210042, People's Republic of China. Our telephone number at this address is +86 25 8685-3969. Our registered office in the Cayman Islands is located at International Corporation Services Ltd., P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017. Investors should contact us for any inquiries through the address and telephone number of our principal executive offices.

Our website is *www.tuniu.com*. The information contained on our website is not a part of this prospectus.

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Implications of Being an Emerging Growth Company

As a company with less than US\$1.0 billion (RMB6.1 billion) in revenue for the last fiscal year, we qualify as an emerging growth company pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US\$1.0 billion (RMB6.1 billion); (b) the last day of our fiscal year following the fifth anniversary of completion of this offering; (c) the date on which we have, during the previous three year period, issued more than US\$1.0 billion (RMB6.1 billion) in non-convertible debt; or (d) the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US\$700 million (RMB4.2 billion) as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Conventions Which Apply to this Prospectus

In this prospectus, unless otherwise indicated or the context otherwise requires,

ADSs refer to American depositary shares, representing our Class A ordinary shares; each ADS represents three Class A ordinary shares;

China or PRC refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Taiwan, Hong Kong and Macau;

gross bookings refer to the total amount paid by our customers for the travel products that we have delivered and the travel services that we have rendered, including the related taxes, fees and other charges borne by our customers;

ordinary shares refer to the Class A and Class B ordinary shares of Tuniu Corporation, par value US\$0.0001 (RMB0.0006) per share;

preferred shares refer to Series A, Series B, Series C and Series D preferred shares, par value US\$0.0001 (RMB0.0006) per share, of Tuniu Corporation;

RMB or Renminbi refers to the legal currency of China;

trips refers to the number of packaged tours sold by us, including organized tours and self-guided tours;

unique visitor to our online platform refers to a visitor to our website from a specific IP address or a visitor to our mobile platform using a specific mobile device; and

we, us, our, and our company refer to Tuniu Corporation, a Cayman Islands company, and its subsidiaries and, in the context of describing our operations and consolidated financial information, also include the consolidated affiliated entities, Nanjing Tuniu Technology Co., Ltd. and its subsidiaries.

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The following information assumes that the underwriters will not exercise their option to purchase additional ADSs in the offering, unless otherwise indicated.

Offering price	We currently estimate that the initial public offering price will be between US\$9.00 (RMB54.48) and US\$11.00 (RMB66.59) per ADS.
ADSs offered by us	7,380,000 ADSs.
ADSs offered by the selling shareholders	620,000 ADSs.
Concurrent Private Placement	<p>Concurrently with, and subject to, the completion of this offering, DCM Hybrid RMB Fund, L.P., our existing shareholder, Ctrip Investment Holding Ltd., or Ctrip, and Qihoo 360 Technology Co. Ltd., or Qihoo 360, have each agreed to purchase from us US\$15.0 million (RMB90.8 million), US\$15.0 million (RMB90.8 million) and US\$5.0 million (RMB30.3 million), respectively, in Class A ordinary shares at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-ordinary-share ratio (the Concurrent Private Placement). Assuming an initial offering price of US\$10.00 (RMB60.54) per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover page of this prospectus, each of these investors will purchase 4,500,000 Class A ordinary shares, 4,500,000 Class A ordinary shares and 1,500,000 Class A ordinary shares from us, respectively. Our proposed issuance and sale of Class A ordinary shares to these investors are being made through private placement pursuant to an exemption from registration with the U.S. Securities and Exchange Commission, or the SEC, under Regulation S of the Securities Act of 1933, as amended, or the Securities Act. Each of the investors has agreed with the underwriters not to, directly or indirectly, sell, transfer or dispose of any Class A ordinary shares acquired in the Concurrent Private Placement for a period of 180 days after the date of this prospectus, subject to certain exceptions. In addition, we have granted Ctrip the right to designate and appoint one person to join our board of directors as a new director immediately after the closing of this offering. See Underwriting.</p>
Ordinary shares outstanding immediately after this offering	We will adopt a dual class ordinary share structure immediately prior to the completion of this offering. Immediately upon completion of this offering, 141,264,391 ordinary shares (or 144,864,391 ordinary shares if the underwriters exercise their over-allotment option in full) will be

outstanding, comprised of (1) 34,500,000 Class A ordinary shares, par value US\$0.0001 (RMB0.0006) per share (or 38,100,000 Class A ordinary shares if the underwriters exercise their over-allotment option in full), including a total of 10,500,000 Class A ordinary shares we will issue in the Concurrent Private Placement at an assumed initial public offering price of US\$10.00 (RMB60.54) per

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ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover page of this prospectus, and (2) 106,764,391 Class B ordinary shares, par value US\$0.0001 (RMB0.0006) per share. Class B ordinary shares outstanding immediately after the completion of this offering will represent 75.6% of our total outstanding shares and 96.9% of the then total voting power (or 73.7% of our total outstanding shares and 96.6% of the then total voting power if the underwriters exercise their over-allotment option in full). We have agreed with the holders of our Series D preferred shares to issue additional Class B ordinary shares to such shareholders if the final offering price is below US\$10.00 per ADS (RMB60.54). See Principal and Selling Shareholders.

ADSs outstanding immediately after this offering

8,000,000 ADSs (or 9,200,000 ADSs if the underwriters exercise their over-allotment option in full).

The ADSs

Each ADS represents three Class A ordinary shares, par value US\$0.0001 (RMB0.0006) per share.

The depositary will hold Class A ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement.

If we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares, after deducting its fees and expenses.

You may turn in your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange.

We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended.

To better understand the terms of the ADSs, you should carefully read the Description of American Depositary Shares section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Ordinary shares

We will issue 22,140,000 Class A ordinary shares represented by ADSs and the selling shareholders will sell 1,860,000 Class A ordinary shares

represented by ADSs in this offering.

All of our existing ordinary shares will be redesignated as Class B ordinary shares and all of our outstanding preferred shares will be redesignated or automatically converted into Class B ordinary shares on a one-for-one basis immediately prior to the completion of this offering.

All options, regardless of grant dates, will entitle holders to the equivalent number of Class A ordinary shares once the vesting and exercising conditions on such share-based compensation awards are met.

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Holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share on all matters subject to shareholders' vote.

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder to any person or entity which is not an affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into the equivalent number of Class A ordinary shares.

See Description of Share Capital.

Over-allotment option

We have granted to the underwriters an option, which is exercisable within 30 days from the date of this prospectus, to purchase up to an additional 1,200,000 ADSs to cover over-allotments.

Use of proceeds

Our net proceeds from this offering will be about US\$65.0 million (RMB393.4 million), assuming an initial public offering price per ADS of US\$10.00 (RMB60.54), the midpoint of the estimated public offering price range, and assuming no exercise of the underwriters' over-allotment option. In addition, we expect to receive net proceeds of approximately US\$35.0 million (RMB211.9 million) from the Concurrent Private Placement.

We intend to use the net proceeds received by us from this offering and the Concurrent Private Placement for the following purposes:

approximately US\$30.0 million (RMB181.6 million) to expand our sales and marketing efforts;

approximately US\$20.0 million (RMB121.1 million) to expand our product selection and offerings;

approximately US\$10.0 million (RMB60.5 million) to strengthen our technology and product development capabilities; and

the balance for general corporate purposes, including strategic investments in and acquisitions of complementary businesses,

although we have not identified any near-term investment or acquisition targets.

See [Use of Proceeds](#) for additional information.

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

Lock-up

We and all of our directors and officers, all of our existing shareholders, all investors in the Concurrent Private Placement and certain optionholders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of, directly or indirectly, any of our ADSs or ordinary shares or securities convertible into or exercisable or exchangeable for our ADSs or

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ordinary shares for a period of 180 days after the date of this prospectus. In addition, through a letter agreement, we will instruct JPMorgan Chase Bank, N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we otherwise instruct the depositary with the prior written consent of the representatives. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. See [Shares Eligible for Future Sale](#) and [Underwriting](#) for more information.

NASDAQ Global Market symbol

We have applied to have the ADSs listed on the NASDAQ Global Market under the symbol [TOUR](#). Our ADSs and ordinary shares will not be listed on any other stock exchange or traded on any automated quotation system.

Payment and settlement

The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company on [\[redacted\]](#), 2014.

Depositary

JPMorgan Chase Bank, N.A.

Directed share program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 560,000 ADSs offered by this prospectus to our directors, officers, employees, business associates and related persons.

Risk factors

See [Risk Factors](#) and other information included in this prospectus for a discussion of risks that you should carefully consider before investing in our ADSs.

Table of Contents**Summary Consolidated Financial and Operating Data**

The following summary consolidated statements of comprehensive loss data (other than ADS data) and summary consolidated statements of cash flow for the years ended December 31, 2011, 2012 and 2013 and the summary consolidated balance sheet data as of December 31, 2011, 2012 and 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following summary financial information in conjunction with the consolidated financial statements and related notes and the information under Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	For the Year Ended December 31,			
	2011	2012	2013	US\$
	RMB	RMB	RMB	
	(in thousands, except for share, per share and per ADS data)			
Summary Consolidated Statements of Comprehensive Loss Data:				
Revenues:				
Organized tours	751,388	1,075,094	1,892,826	312,673
Self-guided tours	17,559	32,359	48,901	8,078
Others	2,667	12,875	20,744	3,426
Total revenues	771,614	1,120,328	1,962,471	324,177
Less: Business and related taxes	(6,071)	(7,447)	(12,784)	(2,112)
Net revenues	765,543	1,112,881	1,949,687	322,065
Cost of revenues	(741,716)	(1,073,732)	(1,829,665)	(302,239)
Gross profit	23,827	39,149	120,022	19,826