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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . . .

Commission file number: 001-36144

Qunar Cayman Islands Limited

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

17th Floor, Viva Plaza, Building 18, Yard 29,
Suzhou Street, Haidian District
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The People's Republic of China

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The People's Republic of China

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American depositary shares (each representing three Class B ordinary shares, par value US$0.001 per share)	The NASDAQ Stock Market LLC (The NASDAQ Global Market)
Class B ordinary shares, par value US$0.001 per share*	The NASDAQ Stock Market LLC (The NASDAQ Global Market)

* Not for trading, but only in connection with the listing on The NASDAQ Global Market of American depositary shares. Currently, one ADS represents three Class B ordinary shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 13,517,672 Class A ordinary shares, par value US$0.001 per share, and 419,204,400 Class B ordinary shares, par value US$0.001 per share as of December 31, 2015.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transaction report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standard Boards ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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INTRODUCTION

Except where the context otherwise requires and for purposes of this annual report on Form 20-F only:

- "ADSs" refers to our American depositary shares, each of which represents three Class B ordinary shares, and "ADRs" refers to the American depositary receipts that evidence our ADSs;
- "active mobile users" refers to mobile users who accessed our mobile platform, including our mobile application and mobile website, on three or more different days in the preceding 12-month period as of any given date;
- "active web users" refers to web users who accessed our website on three or more different days in the preceding 12-month period as of any given date;
- "Baidu" refers to Baidu, Inc. and its subsidiaries;
- "Baidu Transaction" refers to a transaction completed pursuant to an agreement we entered into with Baidu Holdings Limited, a wholly-owned subsidiary and the investment vehicle of Baidu, Inc., under which Baidu paid US$306 million to acquire 181,402,116 of our ordinary shares and became our majority shareholder;
- "Baidu Zhixin Cooperation" refers to the cooperating arrangements between Baidu and us relating to the Zhixin Platform pursuant to the Zhixin Cooperation Agreement;
- "China" or "PRC" refers to the People's Republic of China, excluding, for purposes of this annual report, Hong Kong, Macau and Taiwan;
- "Cooperation Platform" refers to the travel-related Zhixin Platform and the travel-related Intermediate Page on PC Internet, as defined in the Zhixin Cooperation Agreement;
- "Ctrip" refers to Ctrip.com International, Ltd. and its subsidiaries;
- "Ctrip Transaction" refers to the transaction between Baidu and Ctrip in October 2015 whereby Baidu sold 178,702,519 of our Class A ordinary shares and 11,450,000 of our Class B ordinary shares to Ctrip in exchange for ordinary shares of Ctrip;
- "Flight TSPs" refers to flight travel service providers, including flight ticket wholesalers and distributors;
- "merchant model program" refers to our program for pre-purchasing air tickets and hotel rooms from airlines and hotels for sale to end users;
- "mobile users" refers to users who accessed our mobile platform, including our mobile application and mobile website, in the preceding 12-month period as of any given date, each being identified by a unique serial number of the user's mobile device;
- "ordinary shares" refers to our ordinary shares, par value US$0.001 per share;
- "OTAs" refers to online travel agencies;

- "our VIE" refers to Qunar.com Beijing Information Technology Company Limited, which, together with its subsidiaries, holds the licenses, approvals and key assets such as our mobile application and website that are essential for our business operations;
- "qualified click" refers to a user click which occurs when the user is directed to a customer's website or our SaaS system by clicking on a search result on our website, regardless of whether the user proceeds to make a purchase from the customer, excluding repeating clicks resulting from suspected frauds or mistakes;
- "SaaS" refers to our proprietary software-as-a-service, a system on which we host the web outlets for certain travel service providers;
- "TEFT" refers to Total Estimated Flight Ticket, which is calculated by dividing flight ticket volume sold on SaaS by qualified flight clicks from SaaS as a percentage of total qualified flight clicks;
- "TEHR" refers to Total Estimated Hotel Room Night Stayed volume, which is calculated by dividing hotel room night stayed volume sold on SaaS by qualified hotel clicks from SaaS as a percentage of total qualified hotel clicks;
- "VIEs" refers to variable interest entities;
- "we," "us," "our company," "our" or "Qunar" refers to Qunar Cayman Islands Limited, a Cayman Islands company, and unless the context requires otherwise, includes its predecessor entities and consolidated subsidiaries and variable interest entities;
- "web users" refers to users who accessed our website in the preceding 12-month period as of any given date, each being identified by a unique cookie installed on the user's computer;
- "WFOE" refers to our wholly foreign owned enterprise, Beijing Qunar Software Technology Company Limited;
- "Zhixin Cooperation Agreement" refers to the cooperation agreement we entered into with Baidu on October 1, 2013;
- "Zhixin Platform" refers to the Zhixin platform maintained on the Baidu website, or any successor, derivation or replacement thereof;
- "US$," "U.S. dollars" or "dollars" refers to the legal currency of the United States;
- "RMB" or "Renminbi" refers to the legal currency of China;
- "funds receivable" refers to cash due from third-party on-line payment service providers, net of service fees, for clearing transactions;
- "restricted cash" refers to the cash collected from users and deposited in banks in connection with their payments for Flight TSPs, OTAs and other travel services providers through our mobile or website platform which cannot be used for our operations and is subject to remittance to these customers in a short period of time, and cash deposits in connection with guarantee letters and as guarantee for loans to subsidiaries;
- "Exchange Act" refers to the Securities Exchange Act of 1934, as amended; and
- "Securities Act" refers to the Securities Act of 1933, as amended.

FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. All statements other than statements of historical fact in this annual report are forward-looking statements. These forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "estimate," "plan," "believe," "is/are likely to" or other similar expressions. The forward-looking statements included in this annual report relate to, among others:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the online travel markets in China;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with our users and customers;
- our plans to invest in our technology platform;
- competition in our industry;
- fluctuations in general economic and business conditions in China; and
- relevant government policies and regulations relating to our industry.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, we cannot assure you that our expectations will turn out to be correct. Our actual results could be materially different from and worse than our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in the "Risk Factors" section of Item 3 and elsewhere in this annual report. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not Applicable.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

Item 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following table presents the selected consolidated financial information for our company. The consolidated statements of operations data for the three years ended December 31, 2013, 2014 and 2015 and the consolidated balance sheets data as of December 31, 2014 and 2015 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. The selected consolidated statements of operations data for the years ended December 31, 2011 and 2012 and the consolidated balance sheets data as of December 31, 2011, 2012 and 2013 have been derived from our audited consolidated financial statements for those years and are not included in this annual report. Our historical results do not necessarily indicate results expected for any future period. The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements and related notes and "Item 5. Operating and Financial Review and Prospects" below. Our audited consolidated financial statements are prepared and presented in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP.

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	For the Year Ended December 31,					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands, except for number of shares and per share (or ADS) data)					
Consolidated Statements of Operations Data:						
Revenues(*):						
Flight and flight related services	170,577	307,708	551,122	1,171,229	2,206,948	340,694
Accommodation reservation services	51,795	125,779	194,030	347,281	1,472,925	227,380
Display advertising services	33,334	46,670	63,503	87,894	117,945	18,208
Other services	6,721	21,568	42,267	150,351	373,394	57,642
Total revenues	**262,427**	**501,725**	**850,922**	**1,756,755**	**4,171,212**	**643,924**
Cost of revenues	(43,682)	(95,787)	(173,395)	(454,902)	(1,433,237)	(221,253)
Gross profit	**218,745**	**405,938**	**677,527**	**1,301,853**	**2,737,975**	**422,671**
Operating expenses						
Product developments(1)	(83,110)	(187,266)	(319,021)	(774,511)	(2,578,528)	(398,056)
Product sourcing(1)	—	(26,947)	(67,271)	(316,903)	(785,385)	(121,243)
Sales and marketing(1)	(134,246)	(216,853)	(315,506)	(890,861)	(2,671,637)	(412,430)
General and administrative(1)	(43,135)	(50,574)	(129,209)	(399,914)	(3,388,467)	(523,089)
Online marketing expense for Baidu Zhixin Cooperation	—	—	—	(699,983)	(37,178)	(5,739)
Contract termination loss provision	—	—	—	(64,485)	—	—
Operating loss	**(41,746)**	**(75,702)**	**(153,480)**	**(1,844,804)**	**(6,723,220)**	**(1,037,886)**
Interest income (expenses), net	1,767	832	4,757	31,329	(110,233)	(17,017)
Foreign exchange (loss) gain, net	(33)	(656)	1,469	(20,739)	(64,106)	(9,896)
Other income (loss), net	6	363	1,057	4,873	(25,161)	(3,884)
Fair value change in warrant liability	—	—	—	—	(397,987)	(61,439)
Loss before income taxes	**(40,006)**	**(75,163)**	**(146,197)**	**(1,829,341)**	**(7,320,707)**	**(1,130,122)**
Income tax expense	(5,945)	(15,950)	(41,092)	(17,560)	(22,784)	(3,517)
Equity in loss of affiliated companies, net of tax	—	—	—	—	(5,840)	(902)
Net loss	**(45,951)**	**(91,113)**	**(187,289)**	**(1,846,901)**	**(7,349,331)**	**(1,134,541)**
Deemed dividend	(31,181)	—	—	—	—	—
Net loss attributable to noncontrolling interests	—	—	—	—	(6,622)	(1,022)
Net loss attributable to Qunar Cayman Islands Limited's shareholders	**(77,132)**	**(91,113)**	**(187,289)**	**(1,846,901)**	**(7,342,709)**	**(1,133,519)**
Loss per share for ordinary shares						
Basic and diluted	(0.51)	(0.32)	(0.61)	(5.26)	(19.14)	(2.95)
Loss per ADS (each ADS represents three Class B ordinary shares)						
Basic and diluted	(1.53)	(0.96)	(1.83)	(15.78)	(57.42)	(8.85)
Weighted average number of ordinary shares used in computation:						
Ordinary shares:						
Basic	151,820,420	281,682,508	—	—	—	—
Diluted	151,820,420	281,682,508	—	—	—	—
Class A ordinary shares:						
Basic	—	—	299,524,536	266,696,495	182,319,107	182,319,107
Diluted	—	—	299,524,536	266,696,495	182,319,107	182,319,107
Class B ordinary shares:						
Basic	—	—	6,403,973	84,713,813	201,373,547	201,373,547
Diluted	—	—	305,928,509	351,410,308	383,692,654	383,692,654
Other comprehensive (loss) income, net of tax of nil						
Foreign currency translation adjustments	(5,491)	(542)	(16,873)	32,639	132,647	20,477
Comprehensive loss	**(51,442)**	**(91,655)**	**(204,162)**	**(1,814,262)**	**(7,216,684)**	**(1,114,064)**
Comprehensive loss attributable to noncontrolling interests	—	—	—	—	(6,622)	(1,022)
Comprehensive loss attributable to Qunar Cayman Islands Limited's shareholders	**(51,442)**	**(91,655)**	**(204,162)**	**(1,814,262)**	**(7,210,062)**	**(1,113,042)**
Selected Non-GAAP Financial Data:						
Adjusted net loss(2)(3)	(9,865)	(57,257)	(117,662)	(812,759)	(2,092,168)	(322,975)
Adjusted EBITDA (2)(4)	2,771	(24,010)	(51,669)	(743,151)	(1,818,697)	(280,759)
Adjusted operating loss(2)(5)	(5,660)	(41,846)	(83,853)	(810,662)	(1,903,469)	(293,845)

* Starting from January 2015, we present our revenues by primary business lines of flight and flight related services, accommodation reservation services, display advertising services and other services. Comparative amounts for the prior periods have been reclassified to conform to the current period presentation.

(1) Share-based compensation expenses were allocated in the operating expenses as follows:

	For the Year Ended December 31,					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	US$
			(in thousands)			
Product developments	13,546	15,241	20,784	59,884	1,299,625	200,628
Product sourcing	—	1,330	2,117	2,958	151,864	23,444
Sales and marketing	5,471	5,243	5,417	12,565	310,604	47,949
General and administrative	9,437	5,392	35,389	190,963	3,020,480	466,281
Total share-based compensation expenses	**28,454**	**27,206**	**63,707**	**266,370**	**4,782,573**	**738,302**

(2) See "—Non-GAAP Financial Measures."

(3) Adjusted net loss (non-GAAP), defined as net loss excluding share-based compensation expenses, impairment loss of the long-term investments, non-cash expenses relating to free user traffic contributed by Baidu, Inc., expenses relating to Baidu Transaction, online marketing expenses for Baidu Zhixin Cooperation, fair value change in warrant liability and contract termination loss provision.

(4) Adjusted EBITDA (non-GAAP), defined as net loss before income tax expense, depreciation and amortization, interest expenses, further adjusted to exclude share-based compensation expenses, impairment loss of the long-term investments, non-cash expenses relating to free user traffic contributed by Baidu, Inc., expenses relating to Baidu Transaction, online marketing expenses for Baidu Zhixin Cooperation, fair value change in warrant liability and contract termination loss provision.

(5) Adjusted operating loss(non-GAAP), defined as operating loss excluding share-based compensation expenses, non-cash expenses relating to free user traffic contributed by Baidu, Inc., expenses relating to Baidu Transaction, online marketing expenses for Baidu Zhixin Cooperation and contract termination loss provision.

	As of December 31,					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
Consolidated Balance Sheets Data:						
Cash and cash equivalents	123,445	148,511	980,129	812,972	4,115,650	635,347
Accounts receivable, net	37,851	45,631	99,892	165,404	278,382	42,975
Funds receivable	3,347	30,838	241,122	413,084	715,365	110,433
Short-term investments	98,394	521	485,945	—	351,189	54,214
Total current assets	**290,546**	**359,478**	**2,055,134**	**1,950,933**	**9,422,317**	**1,454,555**
Property and equipment, net	25,058	32,298	45,690	149,307	232,085	35,828
Total assets	**320,973**	**392,352**	**2,124,775**	**2,267,717**	**10,505,545**	**1,621,776**
Total current liabilities	**193,020**	**315,016**	**704,485**	**2,366,687**	**6,550,800**	**1,011,270**
Total liabilities	**196,158**	**332,610**	**762,348**	**2,438,303**	**9,302,177**	**1,436,009**
Total mezzanine equity	998,666	998,666	—	—	—	—
Total shareholders' (deficit) equity	**(873,851)**	**(938,924)**	**1,362,427**	**(170,586)**	**1,203,368**	**185,767**
Total liabilities, mezzanine equity and shareholders' (deficit) equity	**320,973**	**392,352**	**2,124,775**	**2,267,717**	**10,505,545**	**1,621,776**

Non-GAAP Financial Measures

To supplement our consolidated financial results presented in accordance with U.S. GAAP, we also use adjusted net loss, adjusted EBITDA and adjusted operating loss as additional non-GAAP financial measures. These non-GAAP financial measures enable management to assess our operating results without considering the impact of expenses relating to non-cash charges, including depreciation and amortization, share-based compensation expenses, impairment loss of the long-term investments, expenses relating to free user traffic contributed by Baidu, Inc., expenses relating to other one-off events including the Baidu Transaction, online marketing expenses incurred in connection with the Baidu Zhixin Cooperation, fair value change in warrant liability, and contract termination loss provision recorded as a result of the legal proceedings between eLong, Inc., or eLong, and us. Furthermore, these non-GAAP financial measures eliminate the impact of items that we do not consider to be indicative of the performance of our business.

We present these non-GAAP financial measures because they are used by management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. We also believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating performance and consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. A limitation of using these non-GAAP financial measures is that these non-GAAP measures do not include all items that impact our results of operations for the period. The following table reconciles our adjusted loss, adjusted EBITDA and adjusted operating loss in the years presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
Net loss	**(45,951)**	**(91,113)**	**(187,289)**	**(1,846,901)**	**(7,349,331)**	**(1,134,541)**
Add:						
Share-based compensation expenses	28,454	27,206	63,707	266,370	4,782,573	738,302
Impairment loss of the long-term investments	—	—	—	—	39,425	6,086
Non-cash expenses relating to free user traffic contributed by Baidu	1,200	6,650	5,920	3,304	—	—
Expenses relating to Baidu Transaction	6,432	—	—	—	—	—
Online marketing expense for Baidu Zhixin Cooperation	—	—	—	699,983	37,178	5,739
Fair Value change in warrant liability	—	—	—	—	397,987	61,439
Contract termination loss provision	—	—	—	64,485	—	—
Adjusted net loss	**(9,865)**	**(57,257)**	**(117,662)**	**(812,759)**	**(2,092,168)**	**(322,975)**
Add:						
Income tax expense	5,945	15,950	41,092	17,560	22,784	3,517
Depreciation and amortization	6,691	16,876	22,735	52,048	112,061	17,299
Interest expense	—	421	2,166	—	138,626	21,400
Adjusted EBITDA	**2,771**	**(24,010)**	**(51,669)**	**(743,151)**	**(1,818,697)**	**(280,759)**
Operating loss	**(41,746)**	**(75,702)**	**(153,480)**	**(1,844,804)**	**(6,723,220)**	**(1,037,886)**
Add:						
Share-based compensation expenses	28,454	27,206	63,707	266,370	4,782,573	738,302
Non-cash expenses relating to free user traffic contributed by Baidu	1,200	6,650	5,920	3,304	—	—
Expenses relating to Baidu Transaction	6,432	—	—	—	—	—
Online marketing expense for Baidu Zhixin Cooperation	—	—	—	699,983	37,178	5,739
Contract termination loss provision	—	—	—	64,485	—	—
Adjusted operating loss	**(5,660)**	**(41,846)**	**(83,853)**	**(810,662)**	**(1,903,469)**	**(293,845)**

In light of the foregoing limitations for each of the non-GAAP financial measures, when assessing our operating and financial performance, you should not consider adjusted net loss, adjusted EBITDA or adjusted operating loss in isolation or as a substitute for our net loss, operating loss or any other operating performance measure that is calculated in accordance with U.S. GAAP. In addition, because these non-GAAP measures may not be calculated in the same manner by all companies, they may not be comparable to other similarly-titled measures used by other companies.

Exchange Rate Information

Our business is primarily conducted in China and almost all of our revenues are denominated in RMB. Solely for the convenience of the reader, unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this annual report were made at a rate of RMB6.4778 to US$1.00, the exchange rate as set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 31, 2015. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. On April 8, 2016, the exchange rate as set forth in the H.10 weekly statistical release by the Federal Reserve was RMB6.4628 to US$1.00.

The following table sets forth information concerning the exchange rates in RMB and U.S. dollars for the periods indicated.

	RMB per U.S. Dollar Exchange Rate			
	Average[1]	High	Low	Period End
2011	6.4475	6.6364	6.2939	6.2939
2012	6.2990	6.3879	6.2221	6.2301
2013	6.1478	6.2438	6.0537	6.0537
2014	6.1620	6.2591	6.0402	6.2046
2015	6.2827	6.4896	6.1870	6.4778
October 2015	6.3505	6.3591	6.3180	6.3180
November 2015	6.3640	6.3945	6.3180	6.3883
December 2015	6.4491	6.4896	6.3883	6.4778
2016				
January 2016	6.5726	6.5932	6.5219	6.5752
February 2016	6.5501	6.5795	6.5154	6.5525
March 2016	6.5027	6.5500	6.4480	6.4480
April 2016 (through April 8, 2016)	6.4720	6.4780	6.4599	6.4628

Source: H.10 statistical release of the U.S. Federal Reserve Board

(1) Annual averages were calculated using the average of the exchange rates on the last day of each month during the relevant period. Monthly averages were calculated using the average of the daily rates during the relevant month.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Risks Related to Our Business

We have operated at a loss and we may not be profitable in the near future.

We have not achieved profitability. We have incurred significant losses in 2015 and may continue to incur significant losses in the future. We may not be able to achieve profitability or avoid net losses in the future. Although our revenues have grown significantly in recent periods, such growth rates may not be sustainable and may decrease in the future. In addition, our ability to become profitable depends on various factors, including our ability to control our costs and expenses which we expect will increase as we expand our business and invest more in product developments, product sourcing and sales and marketing. For example, we have significantly increased our headcount in 2015 relating to our product sourcing and product development efforts and we may incur additional sales and marketing expenses in the future as our business continuously grows.

We may further encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If our revenues fail to increase at the rate we anticipate, or if our costs and expenses increase at a more rapid rate than our revenues, we may not be able to achieve profitability and may incur greater losses.

If we fail to develop and implement new and updated features and services for our mobile applications to meet market requirements, or if the updated features and services for our mobile application do not gain market popularity, our business may be materially and adversely affected.

An increasing number of our users are using smartphones and other mobile devices to access our services. The emergence and improved functionality of mobile platforms has led to increased usage by consumers of standalone mobile applications to search and purchase travel products. If we are unable to offer innovative, user-friendly, feature-rich mobile applications for our travel services, along with effective marketing and advertising, or if our mobile applications are not used by consumers, we could lose market share to existing competitors or new entrants and our future growth and results of operations could be adversely affected.

The restraints in functionality, speed and memory of mobile devices may reduce user experience in the use of our services through such devices, and the versions of the mobile applications we develop for these devices may fail to prove attractive to users. Manufacturers or distributors of mobile devices may establish unique technical standards for their devices, and our mobile applications and services may not work or be viewable on these devices as a result. As new mobile devices and technologies continue to emerge, it is difficult to predict the challenges we may encounter in developing or adapting new versions of our mobile applications to these devices and technologies and we may need to devote significant resources to the creation, support and maintenance of such mobile applications. To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our mobile applications. We cannot assure you that we will be able to use new technologies effectively or adapt our mobile applications, website, proprietary technologies and systems to meet customer requirements or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner in response to changing market conditions or customer requirements, whether for technical, legal, financial or other reasons, or if the updated features and services for our mobile application do not gain market popularity, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Implementation and execution risks associated with our transitioning into a one-stop mobile and online commerce travel platform may adversely affect our business and operating results.

Historically, we enjoyed one of the market leading positions in the travel industry in China with our unique business model as a search-based travel commerce platform. We are currently transitioning to a mobile and online commerce travel platform which focuses on providing a one-stop solution for our users. Our efforts to execute such transition have required and will continue to require significant efforts and financial resources over an extended period of time. For example, our product development and product sourcing headcount has increased significantly from 2014 to 2015 as a result of our focus on the development of our mobile platform and hotel direct business. While we believe our expertise and investments in technology and our efforts to allocate dedicated personnel in product development and product sourcing provides us with a strong foundation to compete effectively, it is uncertain whether our transition can be successfully implemented or generate the level of revenue we expect. Any execution risks relating to our transition may slow down our growth and could have a material adverse effect on our business, results of operations and financial condition

Our growth may slow down and we may not be able to manage our future growth effectively.

We have experienced rapid revenue growth since the commencement of our operations. Our total annual revenues grew by 106.5%, from RMB850.9 million in 2013 to RMB1,756.8 million in 2014 and by 137.4%, to RMB4,171.2 million (US$643.9 million), in 2015. Our active web and mobile users increased from 58.1 million in 2013 to 71.9 million in 2014 to 90.2 million in 2015. While we expect our business to grow, we may not be able to maintain our historical growth rates in future periods. Revenue growth may slow or revenues may decline for any number of reasons, including our inability to attract and retain users, decreased customer spending, increased competition, slowing growth of the overall online travel market, the emergence of alternative business models, changes in government policies or general economic conditions. As the size of our user base continues to increase, we anticipate that the growth rate of our user base may decline over time. We may also lose users for other reasons, such as failure to deliver satisfactory search results or transaction experiences or high quality services. In addition, even if our user base continues to grow, there can be no assurance that our revenues will grow at the same rate or at all. If our growth rates decline, investors' perceptions of our business and business prospects may be adversely affected.

We intend to increase our service offerings to achieve future growth. In doing so, we will need to work with a large number of new travel service providers and efficiently establish and maintain mutually beneficial relationships with our existing and new travel service providers. To support our growth, we will also need to implement a variety of new and upgraded managerial, operating, financial and human resource systems, procedures and controls. These efforts will place significant strain on our management and resources, and failures to effectively manage our growth will materially and adversely affect our financial condition and business prospects.

Competition could adversely affect us.

We operate in the highly competitive and rapidly evolving travel industry in China. Our unique business model as a travel commerce platform caused us to maintain a cooperative-competitive relationship with some of our competitors as they are also our travel service providers or even customers. In the online travel sector, we compete primarily with other service providers who also provide online flight and hotel booking services, such as Ctrip.com, or Ctrip, and e-commerce websites, such as the travel channel of Taobao.com. As we entered into the hotel direct business, we are also directly competing with OTAs. We also compete with other travel search providers and traditional travel agencies. Certain current and potential competitors, including OTAs, non-OTA travel service providers, travel channels of general portals, general search engines and e-commerce websites, have a longer history, larger user base, greater brand recognition and significantly greater financial, marketing, personnel, technical and other resources than we have. Intense competition may lead to various unfair competition practices or legal or administrative proceedings brought against us by our competitors. Furthermore, if our competitors merge or consolidate among themselves, we may face increased competition, which could materially and adversely impact our business.

Our non-compete agreements with Baidu in connection with the Baidu Transaction and the Zhixin Cooperation Agreement have expired as a result of the Ctrip Transaction in October 2015. As a result, should Baidu decide to enter into the same business as ours, our competitive landscape may change and we may face increased competition.

Meanwhile, our platforms display and provide links to information from some of our competitors. Certain travel service providers may block our access to their information or make claims against us alleging that we inappropriately used their information. The comprehensiveness of our search results could be impaired if we are denied access to travel product information from these certain travel service providers. In addition, certain travel service providers may leverage their established reputation or relationships to prevent other travel service providers from becoming our customers, which would limit our ability to generate more revenues.

Our industry is characterized by relatively low fixed costs. New competitors face low entry barriers. In addition, new and enhanced technologies may help new entrants to compete with us. Smaller companies or new competitors may be acquired by, receive investment from or enter into strategic alliances with well-established and well-financed companies or investors which would help enhance their competitive positions. Some of our competitors may devote greater resources to marketing and promotional campaigns and technological development than us. Furthermore, competition in the PRC online travel industry is intense and from time to time such competition may lead to industry consolidation. If we were to be acquired by or merged with our competitors or other industry players, we may not be able to carry out our strategies as we currently plan and may not be able to realize the value that our shareholders expect us to achieve.

We may also face competition from foreign travel services or travel information providers if they enter the China market by partnering with or acquiring our existing competitors. These foreign competitors may leverage their global brand recognition, broad geographical presence and sophisticated technologies to quickly attract Chinese users who seek travel-related information online. These competitors may also be able to devote greater resources than we can to establish and customize their online travel information platform to satisfy changing user demands and market needs.

Increased competition could result in reduced user traffic and loss of market share for us. If we do not compete successfully against existing and future competitors, we may lose our leadership position, and our business, results of operations and financial condition may be materially and adversely affected.

If we are unable to attract, train and retain qualified personnel, our business may be materially and adversely affected.

Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly management, technical engineers and product development personnel, with expertise in the online travel or search industry. Since our industry is characterized by high demand and intense competition for talent, we may not be able to attract or retain qualified staff or other skilled employees that we will need to achieve our strategic objectives. As we are still a relatively young company, our ability to train and integrate new employees into our operations may not meet the growing demands of our business. If we are unable to attract, train and retain qualified personnel, our business, financial condition and results of operations may be materially and adversely affected.

Our business may be disrupted if we lose the service of our senior management team.

We announced the appointment of our new chief executive officer, Mr. Zhenyu Chen, our new chief operating officer, Mr. Qiang Zhang, and our new chief financial officer, Mr. Xiaolu Zhu, in January 2016 and the departure of our former chief executive officer and co-founder, Mr. Chenchao (CC) Zhuang, and our former chief financial officer, Ms. Yilu Zhao. While we have taken measures to stabilize our workforce and to continue to properly incentivize our employees, these management changes may result in a degree of disruption to our business. Our success heavily depends upon the continued services of our senior management team and our business may be disrupted by any further management changes. If one or more of our current senior executive officers were unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all and our business, financial condition and results of operations may be materially and adversely affected. If any of our senior executive officers joins a competitor or forms a competing business, we may lose users, travel service providers, know-how and key professionals and staff members. Each of our senior executive officers has entered into an employment agreement with us. However, if any dispute arises between our senior executive officers and us, we may incur substantial costs and expenses enforcing such agreements in China or we may be unable to enforce them at all.

If we do not continue to innovate and provide attractive products and services to our users, we may not be able to attract and retain a large and active user base and our financial condition and operating results could suffer.

Our success depends on our ability to attract and retain users, which require our continuous innovation to provide features and functions that make our mobile applications and website attractive to users. Participants in the online travel industry are constantly developing new technologies and products and services. If we fail to innovate and improve our technology at a competitive pace, we may lose users to our competitors. Constantly changing user preferences have affected and will continue to affect the online travel industry. We must stay abreast of emerging user preferences and be able to anticipate trends that will appeal to existing and potential users. We have developed products and services, such as itinerary management tools and location-based services, that are relatively new to users and they may not be able to achieve popularity. If we fail to constantly tailor our products and services to accommodate our users' changing needs and preferences, we may lose users. Decreases in our user traffic would significantly affect our business, resulting in fewer transactions, which would materially and adversely affect our financial condition and operating results.

We may be unable to establish, maintain and deepen relationships with our suppliers and customers.

Our ability to attract users to use our mobile platform and website depends in large part on providing a comprehensive set of query results. To do so, we maintain relationships with customers to include their travel product data in our query results. The loss of existing relationships with customers, or an inability to continue to add new ones, may result in search results with incomplete pricing, availability and other information important to our users. This deficiency could reduce users' confidence in the query results we provide, making us less popular among our users.

With respect to our air ticket information, we currently have supplier relationships with most major domestic airlines in China and certain international airlines operating flights from and to China. However, these airlines may decide not to continue our relationship, or enter into similar arrangements or other relationship with our competitors, which may offer better terms than we do. For example, in January 2016, some domestic airlines suspended their cooperation with us and withdrew their branded sales portals from our website. If we lose any of our airline suppliers, we would be unable to continue to display travel data from such airlines, which would reduce the breadth of our query results. The number of users using our services could decline, making us unattractive to our users and resulting in a loss of revenues and a decline in our operating results.

In order to provide high quality search service and comprehensive information about air tickets, we retrieve ticket availability information from China's sole global distribution systems, or GDS, pursuant to certain contractual arrangements. The GDS may decide to limit the information that they provide to us or even stop working with us due to commercial or other reasons. In addition, our cost to obtain data from the GDS may significantly increase. The loss or deterioration of the relationship with such GDS may affect the comprehensiveness and accuracy of flight information available on our platform or increase our operating costs, which would negatively impact users' experience or adversely affect our financial condition and results of operations.

Brand name hotels from major hotel chains comprise of a significant portion of the hotel choices offered on our platforms. A loss of any one of these hotel chains as a customer, or a loss of any one of these chains as a provider of travel information to OTAs, could have a negative impact on our business, financial condition or results of operations. As we entered into the hotel direct business by offering consumers hotel products that are sourced directly by us, we will need to maintain and strengthen relationships with over 200,000 independent hotels as our customers and also to attract additional independent hotels. If we fail to attract or maintain those independent hotels as our customers, our growth prospects may be adversely affected.

In addition, we will need to maintain and strengthen relationships with our OTAs that are our existing customers and establish new customer relationships with other OTAs and travel service providers to ensure that we have access to a steady supply of travel product information on favorable commercial terms. However, we may not be able to successfully maintain or strengthen the relationships with some of our existing OTA customers. We also cannot assure you that we will be able to identify appropriate OTAs and other travel service providers or enter into arrangements with them on favorable terms, if at all. Moreover, as part of our growth strategy, we plan to further expand our service offerings. If we fail to establish new customer relationships on favorable terms or our new service offerings fail to attract new customers due to any reason, the growth of our business may also be materially and adversely affected.

We may not be able to adequately monitor or ensure the service quality of travel service providers, and increases in user dissatisfaction with travel service providers could materially and adversely affect our results of operations.

Substantial demand has been, and will continue to be, placed on our operational, technological and other resources to ensure that our travel service providers provide high-quality travel products and services to our users on a consistent basis. Certain travel service providers may lack adequate quality control for their travel products and customer service. Although we do not have a legal obligation to ensure the quality of the travel products and services provided by our travel service providers, our reputation, brand and user experience are negatively affected if the travel service providers fail to provide high quality travel products to our users. We have established a user service center with a dedicated team to handle user complaints against travel service providers and to monitor the performance of travel service providers on a regular basis. We also screen our travel service providers by reviewing copies of their requisite licenses and permits prior to including them in our search results. However, we cannot ensure that our travel service providers will not fail to provide quality products and services to our users. Similarly, we cannot ensure that every travel service provider has obtained, and duly maintained, all of the licenses and permits required for them to provide travel products to consumers.

Our ability to control the service quality of travel service providers is limited, and the actions we take to monitor and ensure quality products and services from the travel service providers may be inadequate in timely discovering and remedying quality issues, many of which are beyond our control. There have been user complaints against us due to the failure of travel service providers to provide satisfactory travel products or services. If our users are dissatisfied with the travel products and services provided by our travel service providers, they may reduce their use of, or completely forgo, our mobile or website platform, and in certain rare cases, demand refunds from us for their payments to the travel service providers. Increases in user dissatisfaction with travel service providers could reduce our user traffic and materially and adversely affect our results of operations.

Merger, acquisitions, investments and strategic alliances could result in operating difficulties, dilution and other harmful consequences.

We from time to time evaluate and enter into discussions regarding a wide array of potential long-term investments, merger or acquisition transactions. Any transactions that we enter into could be material to our financial condition and results of operations. The process of integrating with another company or integrating an acquired company, business, asset or technology may create unforeseen operating difficulties and expenditures. The areas where we face risks include:

- significant costs of identifying and consummating acquisitions;
- diversion of management time and focus from operating our business to acquisition integration challenges;
- difficulties in integrating the management, technologies and employees of the acquired businesses;
- implementation or remediation of controls, procedures and policies at the acquired company;
- coordination of travel products and services, engineering and sales and marketing functions;
- retention of employees from the businesses we acquire;
- liability for activities of the acquired company before the acquisition;
- potential significant impairment losses related to goodwill and other intangible assets acquired or investments in other businesses;

- litigation or other claims in connection with the acquired company;
- significant expenses in obtaining approvals for the transaction from shareholders and relevant government authorities in China;
- in the case of overseas acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to achieve the intended objectives, benefits or revenue-enhancing opportunities.

Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and expenses and harm our business generally. If we use our equity securities to pay for acquisitions, we may dilute the value of your ADSs and the underlying Class B ordinary shares. If we borrow funds to finance acquisitions, such debt instruments may contain restrictive covenants that could, among other things, restrict us from distributing dividends. Such acquisitions and investments may also lead to significant amortization expenses related to intangible assets, impairment charges or write-offs.

We may in the future enter into strategic alliances with various third parties to further our business purposes from time to time. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counter-party, reputation risk and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. To the extent the third parties suffer negative publicity or harm to their reputations from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

Any rumors and negative publicity about us or our affiliates may adversely affect our brand, public image and reputation, which may seriously harm our ability to attract users, customers, business partners and other market participants, and result in material adverse impact on our business, results of operations and prospects.

Our business depends on maintaining the trust of users, customers, business partners and other market participants. Rumors or negative publicity about us, our products and developments, our financial results or our market position, spread through the media, communications among market participants, Internet postings or otherwise, even if factually inaccurate, could adversely damage our brand, public image and reputation, seriously harm our ability to attract users, customers, business partners and other market participants, and result in a material adverse impact on our business, results of operations and prospects.

Difficulties in developing new service offerings may negatively affect our business, financial condition and results of operations.

As part of our growth strategy, we intend to develop and offer new services to satisfy the evolving needs of our users and customers. In 2011 and 2012, we launched travel group-buying services and new hotel promotion services, such as “last-minute sale” promotion. In 2013, we launched New Destination services for mobile users. We also launched designated car services for pickup and drop off to and from airports, train stations and tourist attraction sites as well as other travel-related ground transportation services covering over 360 cities in China as of December 31, 2015.

New services we offer and may offer in the future present operating, marketing and regulatory challenges that are different from those we currently encounter. Certain new service offerings, such as our car services business, may be subject to on-going PRC regulatory oversight. In addition, the market for some of these new services, such as the group buying services, is highly competitive due to a number of factors, such as the relatively low barriers to entry, the continued growth of e-commerce in China and the growing acceptance of online shopping by Chinese internet users. If we fail to successfully develop and operate these new services in an increasingly competitive market, we may not be able to capture the growth opportunities associated with these new services or recover the development and marketing costs, and our future results of operations and growth strategies could be materially and adversely affected.

We may suffer losses if we are unable to correctly predict the amount of inventory we will need to purchase during the peak holiday seasons.

Starting from the fourth quarter of 2014, we began to establish limited merchant business relationships with selected travel service suppliers, particularly for our travel products such as hotels and air tickets in popular destinations and during peak seasons, in order to secure adequate supplies for our users. In such merchant business relationships, we purchase travel products before selling them to our customers and thereby incur inventory risk for any such bookings that remain unsold. If we are unable to correctly predict demand for travel products that we are committed to purchase, we would be responsible for covering the cost of the travel products we are unable to sell, and our financial condition and results of operations would be adversely affected.

The proper functioning of our platform is essential to our business. Any failure to maintain the satisfactory performance and security of our platform will materially and adversely affect our business operations, reputation, financial condition and results of operations.

The satisfactory performance, reliability and availability of our mobile applications, website and SaaS system are critical to our ability to attract and retain users and provide quality service to our users. Any system interruptions caused by our servers, telecommunications failures, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our mobile platform, website or SaaS system would reduce the number of users visiting our mobile platform and website. Some of the telecommunications carriers have system constraints which can affect our user experience. For example, if a large number of users use the same telecommunications carrier at the same time for services requiring a large amount of data transmission, the users could experience reduced speed or other technical issues due to the carrier's capacity restraints. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins, or other potential disruptions, which could lead to interruptions, delays, loss of data or the inability to accept and process user queries. We may also experience interruptions caused by reasons beyond our control such as power outages. Unexpected interruptions could damage our reputation and result in a material decrease in our revenues.

In addition, our internet systems, including our mobile applications, website and SaaS system, could contain undetected errors or "bugs" that could adversely affect their performance. We regularly update and enhance our mobile applications, website and other internet systems and introduce new versions of software products and applications. The occurrence of errors in any of these may cause us to lose market share, damage our reputation and brand name and materially and adversely affect our business.

If we fail to adopt new technologies or adapt our platform to changing user requirements, increasing traffic or emerging industry standards, our business may be materially and adversely affected.

The online travel industry is subject to rapid technological changes. To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our mobile platform and website. The online travel industry is also characterized by rapid technological changes, changes in user requirements and preferences and the introduction of new travel products and services embodying new technologies that could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. The development of websites and other proprietary technology entails significant technical and business risks. In addition, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or adapt our travel products, services or infrastructure. We may not be able to use new technologies effectively or adapt our mobile platform, website, proprietary technologies, transaction-processing systems and management systems to user requirements or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner to changing market conditions or user requirements, whether for technical, legal, financial or other reasons, our business, financial condition and results of operations may be materially and adversely affected.

We have a proprietary software system that supports nearly all aspects of our service. Our business may be harmed if we are unable to upgrade our system and infrastructure fast enough to accommodate increasing traffic levels or to avoid obsolescence, or successfully integrate any newly-developed or purchased technology with our existing system. Capacity constraints could cause unanticipated system disruptions, slower response times, poor user experience, impaired quality and speed of reservations and confirmations, and delays in reporting accurate financial and operating information. These factors could cause us to lose users and customers. Additionally, we will continue to upgrade and improve our technology infrastructure to support our business growth. However, we cannot assure you that we will be successful in executing these system upgrades and improvement strategies. In particular, our system may experience interruptions during upgrades, and the new technologies or infrastructures may not be fully integrated with the existing systems on a timely basis or at all. If our existing or future technology infrastructure does not function properly, it could cause system disruptions and slow response times that affect data transmission, which in turn could materially and adversely affect our business, financial condition and results of operations.

If the fragmented travel market in China becomes consolidated, our business model may lose value.

China's size and population, imbalanced economic development and differences in consumer behavior across the country have created a highly complex, fragmented and diverse travel market. According to the China National Tourism Administration, there were 26,054, 26,650 and 27,621 travel agencies in China in 2013, 2014 and 2015, respectively. A majority of travel agencies tend to be unaffiliated and small, local office operations. Users must work with a large number of small, independent travel service providers either directly or through a network of OTAs, both of which can be difficult to manage. Such a fragmented travel market has caused difficulties for travelers to obtain comprehensive travel information while creating opportunities and value for our business model as a consolidator of travel information from those travel service providers. If, however, travel service providers start to form alliances, or merge or consolidate among themselves, there will be fewer but larger travel service providers, which would make comprehensive travel information more readily available to users. If that happens, our business model may lose its value, and our business prospects, financial condition and results of operations may be adversely affected.

We are dependent on the leisure travel industry for a significant portion of our revenues.

Historically, revenues from the leisure travel industry accounted for a significant portion of our total revenues. We expect that it will continue to represent a significant portion of our total revenues in the near future. Leisure travel, including leisure airline tickets, hotel room reservations, vacation packages and tours, attraction tickets, among others, is dependent on personal discretionary spending levels. Demand for leisure travel services tends to decline, during general economic downturns and recessions. Although the Chinese leisure travel industry has experienced rapid growth in the past decade. any severe or prolonged slowdown in the Chinese economy could reduce expenditures for leisure travel, which in turn may adversely affect our financial condition and results of operation. Furthermore, our business may also be significantly affected by other factors that tend to reduce leisure travel, including increased prices in hotel, air-ticketing, fuel or other travel-related sectors, work stoppages or labor unrest at airlines, increased occurrence of travel-related accidents, outbreaks of contagious diseases, natural disasters and extreme unexpected bad weather. Reduction in our revenue from the leisure travel industry could materially and adversely affect our financial condition, operating results and business prospects.

We may be unable to maintain or increase our brand awareness and preference.

We have developed our user base primarily through word-of-mouth recommendations and have in the past incurred limited brand promotion expenses. We believe that the recognition and reputation of our "Qunar (去哪儿)" brand among our target users and travel service providers have contributed significantly to the growth and success of our business. User awareness, perceived quality and attributes of the "Qunar" brand are important aspects of our efforts to attract users to our mobile platform and website. Maintaining and enhancing our brand are critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand. These factors include our ability to:

- provide a compelling user experience of online travel searches;
- maintain the popularity, attractiveness, diversity and quality of the services we offer;
- increase brand awareness through various means of marketing and brand promotion activities; and
- preserve our reputation and goodwill in the event of any negative media publicity toward our services, internet security, or other issues affecting us or other online travel businesses in China.

Since some of our competitors may have more resources than we do, and can spend more in advertising their brands and services, we may be forced to spend considerable money and other resources to preserve and increase our brand awareness. Should the competition for top-of-mind awareness and brand preference increase among online travel search companies, we may not be able to successfully maintain or enhance the strength of our brand. Even if we are successful in our branding efforts, such efforts may not be cost effective. If we are unable to maintain or enhance user and customer awareness of our brand in a cost effective manner, our business, results of operations and financial condition could be adversely affected.

We are subject to payment-related risks.

We enable our users to make and our customers to accept payments through our SaaS system by working with banks as well as various third-party online payment service providers. Because we rely on external parties to provide payment processing services, including processing payments made with credit cards and debit cards, it could disrupt our business if these companies become unwilling or unable to provide these services to us. We may be subject to human error, fraud and other illegal activities in connection with banks and third-party online payment services.

In addition, we allow users to keep small amounts of account balance with us and transfer money to third parties on our SaaS system. We are subject to risks related to user account abuse, human error, fraud and other illegal activities in connection with the user accounts. If our data security systems are breached or compromised, we may lose our ability to keep user account balances, accept credit and debit card payments from our users or process funds transfers, and we may be subject to claims for damages from our users and third parties, all of which could adversely and materially affect our reputation as well as our operating results.

Failure to protect confidential information of our users and network against security breaches could damage our reputation and substantially harm our business and results of operations.

We acquire personal or confidential information from users. The secure transmission of confidential information (such as users' itineraries, hotel and other reservation information, credit card numbers and expiration dates, personal information and billing addresses) is essential to maintaining user confidence. Security breaches or cyber-attacks to our system, particularly the SaaS system, whether coming from internal or external sources, could significantly harm our reputation and business and expose us to monetary loss or litigation. In recent years, the risks that we face from cyber-attacks have increased significantly. Some of these attacks may originate from well-organized, highly skilled organizations. Any such attack or system or network disruption could result in a loss of our intellectual property, the release of commercially sensitive information or user, customer or employee personal data or the disruption of services we provide to our users and customers.

Although we continuously strengthen our security measures, we cannot assure you that external attacks will not occur in the future or that our existing security measures will prevent security breaches or attacks. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Any incident of security breach may affect the accessibility of our mobile platform and website, which could cause us to lose substantial user traffic and transaction volume. The risk of such security breaches is likely to increase as we grow and as the tools and techniques used in these types of attacks become more advanced. Meanwhile, we have limited control or influence over the security policies or measures adopted by third-party providers of online payment services through which our users make payment for transactions completed on our SaaS system. Although we do not believe that we will be held responsible for any illegal activities of third parties, any negative publicity about our platforms' safety or privacy protection mechanism or policy could have a material and adverse effect on our public image and reputation. If we grant third parties greater access to our technology infrastructure in the future to provide more technology assistance to or other technical cooperation with travel service providers and others, it may be more challenging for us to ensure the security of our SaaS system. Any security breach of our system or compromise of the information security measures of our travel service providers and other third-party service providers could result in negative publicity, damage our reputation, expose us to risk of monetary loss or litigation and even subject us to regulatory penalties and sanctions, any of which could have a material and adverse effect on our reputation, business, financial condition and results of operations.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We principally rely on trade secrets to protect our technology and know-how. We have devoted substantial resources to the development of our technology and know-how. In order to protect our technology and know-how, we rely significantly on confidentiality agreements or provisions with our employees, licensees, independent contractors and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information and, in such cases, we would not be able to assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

We may not be able to adequately protect our intellectual property, which could harm the value of our brands and adversely affect our business.

We regard our intellectual property as critical to our success, and we rely on trademark, trade name, copyright, patent, trade secret and anti-unfair competition law, as well as confidentiality and/or license agreements, to protect our proprietary rights. The protection of intellectual property rights in China may not be as effective as that in the United States or other countries. The steps we have taken may be inadequate to prevent the misappropriation of our technology. Reverse engineering, unauthorized copying or other misappropriation of our technologies could enable third parties to benefit from our technologies without paying us. Moreover, unauthorized use of our technology could enable our competitors to offer services that are comparable to or better than ours, which could harm our business and competitive position. From time to time, we may have to enforce our intellectual property rights through litigation. Such litigation may result in substantial costs, diversion of resources and management attention. If we are not successful in protecting our intellectual property, it could have a material adverse effect on our business, results of operations and financial condition.

We have registered domain names for websites that we use in our business, such as qunar.com. If we lose the ability to use the domain name of qunar.com, we would be forced to incur significant expenses to market our services under a new domain name, which could substantially harm our business. In addition, our competitors could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of, our brand or our trademarks. Protecting and enforcing our rights in our domain names and determining the rights of others may require litigation, which could result in substantial costs and diversion of management attention.

In 2009, Guangzhou Qu Na Information Technology Co., Ltd., or Guangzhou Qu Na, an unaffiliated third party, launched and operated “quna.com”, a “copycat” of our website “qunar.com”. In April 2011, we filed a lawsuit against Guangzhou Qu Na over its unfair competition with the Guangzhou Intermediate People’s Court. In June 2013, Guangzhou Intermediate People’s Court issued a judgment largely in our favor, ordering Guangzhou Qu Na to cease using “去哪,” “去哪儿,” “去哪网,” and “quna.com” as its service marks, and cease using and transfer to us the domain names of “quna.com,” “123quna.com,” and “mquna.com.” Guangzhou Qu Na and we each filed an appeal against each other with the Guangdong Higher People’s Court on this judgment. In April 2014, Guangdong Higher People’s Court issued a final judgment which partially overturned the original verdict by ruling that Guangzhou Qu Na may continue to hold and use the domain names of “quna.com”, “123quna.com” and “mquna.com” as long as it ceases using “去哪,” “去哪儿,” “去哪网,” and “quna.com” as its service marks. While we intend to vigorously pursue our legal rights in PRC courts, we may not be able to obtain or enforce favorable rulings in China in a satisfactory manner. “Copycat” mobile applications and websites may misappropriate, dilute, or damage our brand and the functionality of our mobile applications and website and misdirect user traffic from our mobile applications or website, which could adversely affect the growth of our user base. In addition, any measures that we may take to protect our right may require us to expend significant financial or other resources and may divert management attention. Any of these factors may have material adverse effect on our business.

Claims by third parties that we infringe on their intellectual property rights or that our platforms or travel service providers' web outlets hosted by us contain errors or false or misleading information could lead to government administrative actions and result in significant costs and have a material adverse effect on our business, results of operations and financial condition.

We cannot be certain that our operations or certain aspects of our business do not or will not infringe upon patents, copyrights, know-how or other intellectual property rights held by third parties. We have been in the past, and may be from time to time in the future, subject to legal proceedings, claims or government administrative actions relating to the intellectual property rights of others, including alleged infringement by certain of our technology upon third parties' patents. For example, our group buying channel may contain pictures that infringe upon the copyrights of third parties, and our platforms may contain other parties' proprietary information such as hotel reviews. If we are found to have infringed on the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses and may be forced to divert management's time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question. Moreover, regardless of whether we successfully defend against such claims, we could suffer negative publicity and our reputation could be severely damaged. Any of these events could have a material and adverse effect on our business, results of operations or financial condition.

Meanwhile, our platforms and travel service providers' web outlets hosted by us contain information about hotels, flights, popular vacation destinations and other travel-related topics. It is possible that if any contents accessible on our platforms infringe upon the intellectual property rights of any third parties or contain errors or false or misleading information, third parties or our users could take actions against us for such contents or their use of such contents. Any claims, with or without merit, could be time-consuming to defend, result in litigation and divert management's attention and resources.

In addition, user-generated content on our platforms may contain or provide links to information that infringes on the copyrights or other intellectual property rights of third parties or violates applicable rules or regulations in relation to censorship, or we may use the user-generated content in a way that infringes upon the rights of the users or third parties. Our copyright policies and user agreements prohibit users from illegally uploading copyright-protected content to our platforms. However, the above measures may not be sufficient to eliminate the risk of infringing or illegal material being posted or linked to on our plaforms. Claims by third parties or actions taken by the government over infringing or illegal materials hosted or linked to on our platforms could result in significant costs and have a material adverse effect on our business, results of operations or financial condition.

We may be the subject of unfair competition, harassment, or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, users and revenues.

We have been, and in the future may be, the target of unfair competition, harassment or other detrimental conduct by third parties. For example, in early 2013, we were subject to negative publicity claiming that certain brand-name hotel chains discontinued business relationships with us due to unauthorized discounts offered by our travel service providers, and such negative publicity could for a certain period of time adversely affect our users' perception of the availability of certain brand-name hotel chains in our search results. Allegations, directly or indirectly against us, may be posted in internet chat-rooms or on blogs or any websites by anyone, whether or not related to us, on an anonymous basis. In addition, such conduct includes complaints, anonymous or otherwise, to regulatory agencies regarding our alleged unfair competition activities in the online travel service sector. We have been, and in the future may continue to be, subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, users, advertisers and revenues.

Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of fraud or other misconduct by our employees. Such misconduct includes intentional failures to comply with laws, regulations and industry standards, which could result in regulatory sanctions and cause harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Furthermore, even if no actions are instituted against us for the misconduct of our employees, we may be exposed to negative publicity that may have a material adverse effect as to our business, brand and reputation.

We may become the target of antitrust and unfair competition claims, which may result in our being subject to fines as well as constraints on our business

As one of the leading mobile and online commerce platforms for the travel industry in China, we may receive close scrutiny from government agencies under PRC antitrust laws, which also provide private rights of action for competitors or users to bring antitrust claims against us. If we do not prevail in any antitrust lawsuits or administrative proceedings initiated against us by private parties or government agencies, we may face confiscation of unlawful gains, heavy fines and various constraints on our business. These constraints may include forced termination of any agreements or arrangements that are determined as in violation of antitrust laws, compulsory disposal of relevant business and limitation on certain operation practices, which may limit our ability to continue to innovate, diminish the appeal of our services and increase our business operation costs. Such constraints may enable our competitors to develop websites, products and services that mimic the functionality of ours, which could result in decreased popularity of our platforms among users. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

As a result of the Ctrip Transaction, Ctrip, one of our competitors, is able to direct to a large extent the outcome of any corporate transaction or other matter submitted to our shareholders for approval. Under the PRC Anti-Monopoly Law, companies undertaking acquisitions or investments in a business must notify the Ministry of Commerce, or MOFCOM, in advance of any transaction where the parties' revenues in the China and global markets exceed certain thresholds and the buyer would obtain control of, or decisive influence over, the target. There are numerous factors MOFCOM considers in determining "control" or "decisive influence," and, depending on certain criteria, MOFCOM will conduct an anti-monopoly review of all transactions of which it is notified. In light of the uncertainties relating to the interpretation, implementation and enforcement of the PRC Anti-Monopoly Law, there is no assurance that Ctrip Transaction would not require a filing for merger review under the PRC Anti-Monopoly Law. If the Ctrip Transaction is found to have violated the PRC Anti-Monopoly Law by not filing a notification of concentration and request for review, the Ctrip Transaction might be subject to constraints, include forced termination of any agreements or arrangements that are determined to be in violation of anti-monopoly laws, required divestitures and limitations on certain business practices.

Further, if any of our business cooperation arrangements with Ctrip are determined to have violated the PRC Anti-Monopoly Law, we could be subject to sanctions including an order to cease the relevant activities, confiscation of illegal gains and fines of 1% to 10% of our sales revenue from the previous year.

Our corporate actions are substantially controlled by our principal shareholders, including Ctrip, who will be able to direct to a large extent the outcome of a large number of shareholder actions in our company.

Based on the Schedule 13D filed by Ctrip with the Securities and Exchange Commission, or the SEC, on November 5, 2015, Ctrip held 43.8% of our total outstanding ordinary shares as of March 31, 2016, representing approximately 42.3% of our total voting power. Accordingly, Ctrip is able to direct to a large extent the outcome of major corporate actions that are subject to shareholder approval, including mergers, consolidations, the sale of all or substantially all of our assets, election of directors and other significant corporate actions.

Ctrip's voting power may cause transactions to occur that might not be beneficial to you as a holder of ADSs, and may prevent transactions that would be beneficial to you, including transactions in which you as a holder of our ADSs might otherwise receive a premium for your securities over the then-current market price.

If our customers choose to reduce or eliminate the fees they pay us, or chose to terminate existing relationships with us, our results of operations could be materially and adversely affected.

We derive revenues primarily from fees paid by our customers, most of whom are our hotel suppliers under the hotel direct programs, and Flight TSPs, including airlines, and to a lesser extent, from display advertisements. We rely on hotel suppliers to provide us with rooms at discounted prices for our hotel direct business. However, we cannot assure you that the hotels participating in our hotel direct business will renew our contracts in the future on favorable terms or terms similar to those we currently have agreed. The hotels participating in our hotel direct business may reduce the commission rates on bookings made through us. In addition, we do not have long-term contracts with most of our Flight TSPs, some of which are major airlines that allow us to book and sell tickets on their behalf and collect commissions on tickets booked and sold through us. In the past, airlines have from time to time reduced their base commission rates on tickets booked and sold through us, which negatively affected our revenues from flight tickets in the relevant periods. We cannot assure you that any of these airlines will continue to have supplier relationships with us or pay us commissions at the same or similar rates as what they paid us in the past. The loss of customer relationships or adverse changes in major business terms with our customers would materially impair our operating results and financial condition.

In addition, our customers and advertisers may not continue to do business with us if their investment does not generate expected businesses and attract consumers, or if we do not deliver their travel product information in our search results in an appropriate and effective manner. Third parties may develop and use certain technologies to block the display of advertisements on our mobile applications or website, which may in turn cause us to lose advertisers. Failure to retain our existing customers and advertisers or to attract new customers and advertisers could seriously harm our business, operating results and growth prospects.

We may have conflicts of interest with Ctrip and, because of Ctrip's ownership interest in our company, may not be able to resolve such conflicts on terms favorable for us.

Conflicts of interest may arise between Ctrip and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest that we have identified include the following:

Allocation of business opportunities. Business opportunities may arise that both we and Ctrip find attractive, and which would complement or expand our respective businesses. Ctrip may decide to take the opportunities itself, which could prevent us from taking advantage of the opportunity ourselves.

Developing business relationships with Ctrip's competitors. So long as Ctrip remains as our largest shareholder, we may be limited in our ability to do business with its competitors, such as other consolidators of hotel accommodations and flight reservation services or traditional travel agencies in China. This may limit the effectiveness of our business and not be in the best interests of our company and our other shareholders.

Employee share exchange program. Ctrip has agreed to issue approximately 5.1 million ordinary shares to certain special purpose vehicles for the benefit of Qunar employees who agree to exchange their Qunar securities for Ctrip shares. The employee share exchange program became effective on December 14, 2015 and, as of March 31, 2016, Ctrip ADSs representing approximately 4.1 million Ctrip ordinary shares have been received by Qunar employees as part of this exchange program. Our employees' shareholdings in Ctrip may create a conflict of interest to the extent such shareholdings align our employees' interests more closely with Ctrip instead of us.

Our business is sensitive to general economic conditions. A severe or prolonged downturn in the global or Chinese economy could materially and adversely affect our business and our financial condition.

The rate of economic growth in the PRC has been experiencing a significant slowdown. Although the PRC government has implemented a number of measures to address the slowdown, these measures may not be successful. Any continuing or worsening slowdown could significantly reduce domestic commerce in China, including through the Internet generally and within our ecosystem. Since we derive, and expect to continue to derive, our revenues almost entirely from China, and both the leisure travel market and the advertising industry tend to be cyclical and are particularly sensitive to overall economic conditions, our business and prospects may be affected by economic conditions in China.

In addition, economic conditions in China are sensitive to global economic conditions. The global financial markets experienced significant disruptions in 2008 and the United States, Europe and other economies went into recession. The recovery from the lows of 2008 and 2009 has been uneven and there is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's.

We cannot assure you that reductions in leisure travel spending will not occur, or will not decrease from current levels. A decline in the economic prospects of travelers or advertisers or the economy in general could reduce leisure travels and the needs for our services, and may also alter current or prospective advertisers' spending priorities. Therefore, any prolonged slowdown in the global or China's economy may lead to a reduction in both leisure travel activities, which could materially and adversely affect our financial condition and results of operations. In addition, the weak economy could erode investors' confidence, which constitutes the basis of the credit markets. Renewed financial turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all, which could also materially and adversely affect our business, results of operations and prospects.

We have no insurance coverage, which could expose us to significant costs and business disruption.

As the insurance industry in China is still in an early stage of development, insurance providers in China currently offer limited business-related insurance products. We do not maintain business interruption insurance, key-man life insurance, or any insurance policies for our properties. Any business disruption, litigation or natural disaster may result in our incurring substantial costs and the diversion of our resources. Due to our lack of insurance coverage, if we encounter any accident or interruption to our business, key personnel or major properties for any reason, our business, financial condition and results of operations could be materially and adversely affected.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters, including hurricanes, tsunamis, earthquakes or volcanic eruptions, or the outbreak of avian influenza (including H5N1, H7N9 and H9N2 subtypes), severe acute respiratory syndrome, or SARS, or another epidemics. In recent years, the Zika virus broke out in Brazil and other parts of the Americas, and the Ebola virus disease broke out in West Africa, with a number of people having died of or been diagnosed with the disease in other parts of the world such as the United States and Europe. Any of such occurrences could cause severe disruption to normal leisure travel patterns and levels and hence reduce users' travel interest and their needs for our services. Our operations could also be severely disrupted if our travel service providers or advertisers were affected by such natural disasters or health epidemics. The leisure travel industry is also sensitive to other events beyond our control, such as worker shortages, work stoppages or labor unrest at any of the major airlines, political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and terrorist attacks, any of which could have an impact on our business, financial condition and results of operations.

Our business could be negatively affected by changes in general search engine algorithms and dynamics or termination of traffic-generating arrangements.

Since the third quarter of 2009, we have made significant use of internet search engines, principally through participation in search engine optimization and the purchase of travel-related keywords, to generate traffic to our platforms. Approximately 41% of our web user traffic in 2015 resulted from searches initially entered on general search engine websites, primarily the search service of Baidu. Search engines, such as Baidu and Google, frequently update and change the logic that determines the placement and ordering of results of a user's search, which may reduce the effectiveness of the keywords we have purchased. If a major search engine, such as Baidu and Google, changes its algorithms in a manner that negatively affects the search engine ranking of our platforms, or changes its pricing, operating or competitive dynamics to our disadvantage, our business, results of operations and financial condition could be adversely affected.

We also enter into commercial traffic-generating arrangements with various service providers such as Baidu, Google and Tencent. Approximately 64% of our web user traffic in 2015 was from paid traffic-generating services. Any loss or impairment of one or more of our traffic-generating services or arrangements, especially the ones we have with Baidu, could significantly reduce our user traffic and have a material and adverse impact on our operating results.

Our use of "open source" software could adversely affect our ability to offer our services and subject us to possible litigation.

We use open source software in connection with our development of technology infrastructure. From time to time, companies that use open source software have faced claims challenging the use of open source software and/or compliance with open source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming noncompliance with open source licensing terms. Some open source licenses require users who distribute software containing open source to make available all or part of such software, which in some circumstances could include valuable proprietary code. While we monitor the use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop travel products and services that are similar to or better than ours.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all, or we may lose a significant existing financing source.

We believe that our current cash and cash equivalents, and anticipated cash flow from operations, will be sufficient to meet our anticipated cash needs for the foreseeable future. We may, however, require additional cash resources due to changed business conditions or other future developments, including any marketing initiatives or investments we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to obtain a credit facility or sell additional equity or debt securities. The sale of additional equity securities could result in dilution of our existing shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all.

We issued convertible notes in the aggregate amount of US$500 million in June 2015 that bear interest at a rate of 2.0% per annum from the issuance date, payable semiannually on June 17 and December 17 of each year. The notes have a maturity date of June 17, 2021, unless repurchased, redeemed or converted in accordance with their terms prior to such date. Each of the initial noteholders have irrevocably waived and relinquished its right to convert the convertible notes held by it and, in January 2016, all of the convertible notes were sold, free of conversion rights, to Ctrip. Ctrip, as the holder of the convertible notes, may require us to repurchase the notes held by it at 100% of the principal amount, plus any accrued and unpaid interest, upon the occurrence of a fundamental change, as defined in the indenture for the notes, include a change in control of our company. The convertible notes will become due and payable in full upon the occurrence of any event of default as defined in the indenture for the notes. If we are required to repurchase the convertible notes prior to their maturity date, we would lose a significant financing source and we may not be able to replace it promptly, or on similar terms, or at all, and our business and result of operations may be adversely affected.

The successful operation of our business depends upon the performance and reliability of the Internet infrastructure and telecommunications networks in China.

Our business depends on the performance and reliability of the Internet infrastructure and telecommunications networks in China. Almost all access to the Internet is maintained through state-owned telecommunications operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology of the PRC, or the MIIT. In addition, the national networks in China are connected to the Internet through international gateways controlled by the PRC government. These international gateways are the only channels through which a domestic user can connect to the Internet. We rely on this infrastructure, primarily China Telecom and China Unicom, to provide data communications capacity. Although the PRC government has pledged to improve the Internet infrastructure in China as part of its stimulus package introduced in the first quarter of 2009, a more sophisticated internet infrastructure may not develop in China. We, or our users, may not have access to alternative networks in the event of disruptions, failures or other problems with China's internet infrastructure. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platforms. However, we have no control over the costs of the services provided by telecommunications service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. If internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed. Moreover, if we are not able to renew service agreements with the telecommunications carriers when they expire and are not able to enter into agreements with alternative carriers on commercially reasonable terms or at all, the quality and stability of our services may be adversely affected.

Risks Related to Our Corporate Structure

Substantial uncertainties exist with respect to the enactment timetable, final content, interpretation and implementation of draft PRC Foreign Investment Law published for public comments and how it may impact the viability of our current corporate structure, corporate governance and business operations.

The MOFCOM published a discussion draft of the proposed Foreign Investment Law in January 2015, aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. The MOFCOM solicited comments on this draft in 2015, but no new draft has been published since then. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation. The draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects.

Among other things, the draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered a foreign-invested enterprise, or an FIE. The draft Foreign Investment Law specifically provides that entities established in China but "controlled" by foreign investors will be treated as FIEs, whereas an entity set up in a foreign jurisdiction would nonetheless be, upon market entry clearance by the MOFCOM, treated as a PRC domestic investor provided that the entity is "controlled" by PRC entities and/or citizens. In this connection, "control" is broadly defined in the draft law to cover the following summarized categories: (i) holding 50% or more of the voting rights of the subject entity; (ii) holding less than 50% of the voting rights of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision-making bodies, or having the voting power to exert material influence on the board, the shareholders' meeting or other equivalent decision-making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial matters or other key aspects of business operations. Once an entity is determined to be an FIE, it will be subject to the foreign investment restrictions or prohibitions set forth in a "negative list," separately issued by the State Council, if the FIE is engaged in the industry listed in the negative list. Unless the underlying business of the FIE falls within the negative list, which calls for market entry clearance by the MOFCOM, prior approval from the government authorities as mandated by the existing foreign investment legal regime would no longer be required for establishment of the FIE.

The VIE structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions — Contractual Arrangements With Our Consolidated Variable Interest Entity and Its Shareholders" and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure." Under the draft Foreign Investment Law, VIEs that are controlled via contractual arrangement would also be deemed as FIEs if they are ultimately "controlled" by foreign investors. Therefore, for any companies with a VIE structure in an industry category that is on the "negative list," the VIE structure may be deemed legitimate only if the ultimate controlling person(s) is/are of PRC nationality (either PRC companies or PRC citizens). Conversely, if the actual controlling person(s) is/are of foreign nationalities, the VIEs will be treated as FIEs and any operation in the industry category on the "negative list" without market entry clearance may be considered as illegal.

Based on the Schedule 13D filed by Ctrip with the SEC on November 5, 2015, Ctrip held 43.8% of our total outstanding ordinary shares as of March 31, 2016, representing approximately 42.3% of our total voting power. Therefore, whether we will be considered as ultimately controlled by Chinese parties will rely in large part on whether Ctrip will be considered as ultimately controlled by Chinese parties. However, the draft Foreign Investment Law has not taken a position on what actions shall be taken with respect to the existing companies with a VIE structure, whether or not these companies are controlled by Chinese parties, while it is soliciting comments from the public on this point. The provision of internet content services (except for e-commerce), is subject to the foreign investment restrictions or prohibitions set forth in the "negative list" issued. If the enacted version of the Foreign Investment Law mandate further actions, such as MOC market entry clearance, to be completed by companies with existing VIE structure like us, we face uncertainties as to whether such clearance can be timely obtained, or at all.

The draft Foreign Investment Law, if enacted as proposed, may also materially impact our corporate governance practice and increase our compliance costs. For instance, the draft Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from the investment implementation report and investment amendment report that are required at each investment and alteration of investment specifics, an annual report is mandatory and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet and other related businesses, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that engage in internet and other related businesses, including the provision of internet content services. Specifically, foreign ownership in an internet content provider or other value-added telecommunications service provider may not exceed 50%. We are a Cayman Islands corporation and a foreign person under Chinese laws. Due to the foreign ownership restrictions on these businesses, we conduct part of our business through contractual arrangements with our VIE in which we do not own any equity interests. Our VIE and its subsidiaries hold the licenses, approvals and key assets such as our mobile platform and website that are essential for our business operations.

In the opinion of our PRC counsel, our current ownership structures, the ownership structure of our wholly-owned subsidiary and our VIE, the contractual arrangements among us, Beijing Qunar Software Technology Company Limited, i.e., our WFOE, our VIE and its shareholders are in compliance with all existing Chinese laws, rules and regulations. There are, however, substantial uncertainties regarding the interpretation and application of current or future Chinese laws and regulations. Accordingly, we cannot assure you that Chinese government authorities will not ultimately take a view contrary to the opinion of our Chinese legal counsel.

If we and our VIE and its subsidiaries are found to be in violation of any existing or future Chinese laws or regulations, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation, levying fines, restricting our right to collect revenues, confiscating our income or the income of our VIE and its subsidiaries, revoking our business licenses or the business licenses of our VIE and its subsidiaries, requiring us and our affiliated Chinese entities to restructure our ownership structure or operations, and requiring us or our VIE and its subsidiaries to discontinue all or any portion of our internet content provision business. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial condition and results of operations.

We rely on contractual arrangements with our VIE and its shareholders for our China operations, which may not be as effective in providing operational control as direct ownership.

Since PRC law limits foreign equity ownership in internet and other related business in China, we operate our internet and other related businesses through our VIE and its subsidiaries. We have no equity ownership interest in our VIE or its subsidiaries and rely on contractual arrangements with our VIE to control and operate such businesses. Such contractual arrangements include (i) a restated exclusive technical consulting and services agreement which will continue to be in effect until terminated by the WFOE, (ii) a loan agreement which shall continue indefinitely until such time as (a) our VIE's shareholders receive a repayment notice from the WFOE and fully repay the loans, or (b) an event of default (as defined therein) occurs unless the WFOE sends a notice indicating otherwise within 15 calendar days after it is aware of such event, (iii) an equity option agreement which will remain effective with respect to each of our VIE's shareholders until all of his or her equity interest has been transferred or we terminate the agreement unilaterally with 30 days' prior written notice, (iv) an equity interest pledge agreement which became effective upon registration and will expire when all obligations under the aforementioned loan agreement, equity option agreement and exclusive technical consulting and services agreement have been satisfied, or the pledgor completes a transfer of equity interest pursuant to the aforementioned equity option agreement so that he or she no longer holds any equity interest in our VIE, and (v) powers of attorney which will remain in full force and effect until either of our VIE's shareholders, as the case may be, no longer holds any equity interest in our VIE. Most of the contractual arrangements are effective until we or the WFOE, in our sole discretion, terminate such contractual arrangement or exercises the rights granted thereunder. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with Our Consolidated Variable Interest Entity and Its Shareholders" for more details about such contractual arrangements.

These contractual arrangements may not be as effective in providing control over our VIE and its subsidiaries as direct ownership. For example, our VIE may fail to take actions required for our operations or fail to maintain our mobile platform or website despite its contractual obligation to do so. In addition, we cannot assure you our VIE's shareholders would always act in our best interests.

Any failure by our VIE or its shareholders to perform their obligations under our contractual arrangements with them may have a material adverse effect on our business and financial condition.

If our VIE or its shareholders fail to perform their respective obligations under the contractual arrangements of which they are a party, we may incur substantial costs and expend substantial resources to enforce our rights under the contracts. We may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which may not be effective. For example, if the shareholders of our VIE were to refuse to transfer their equity interest in such VIE to us or our designee when we exercise the equity option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we might have to take legal action to compel them to perform their respective contractual obligations.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. However, the legal system in the PRC, particularly as it relates to arbitration proceedings, is not as developed as in other jurisdictions, such as the United States. See "— Uncertainties with respect to the PRC legal system could adversely affect us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. These uncertainties under the PRC legal system could limit our ability to enforce these contractual arrangements. Additionally, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts and the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which could cause additional expenses and delays. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our affiliated entities, our ability to conduct our business may be negatively affected and our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and damage our reputation.

Shareholders of our VIE may have potential conflicts of interest with us, which may affect the performance and renewal of our contractual arrangements with our VIE and materially and adversely affect our business and financial condition.

Two individuals are the shareholders of our VIE and hold 100% of our VIE's equity interest. These individuals do not have any employment contract with us, nor do they owe any legal duty to us other than their contractual obligations under the agreements they have entered into in connection with our VIE. We cannot assure you that these individuals will act in our interest should a conflict of interest arise between us and our VIE or Ctrip or that such conflict of interest will be resolved in our favor. If we cannot resolve the conflicts of interest, we would have to resort to legal proceedings, which could result in disruption of our business.

In addition, the shareholders of our VIE may breach or cause our VIE to breach or refuse to renew the existing contractual arrangements that allow us to effectively control our affiliated PRC entities and receive economic benefits from them. There is currently no specific and clear guidance under PRC laws that address any conflict between PRC laws and Cayman Islands laws in respect of any conflict relating to corporate governance.

We may lose the ability to use and enjoy assets held by our VIE or its subsidiaries if our VIE or its subsidiaries declare bankruptcy or become subject to a dissolution or liquidation proceeding.

Our VIE and its subsidiaries hold assets that are important to our business operations. Our contractual arrangements with our VIE contain terms that specifically obligate the shareholders of our VIE to ensure the valid existence of the VIE and that the VIE may not be voluntarily liquidated. However, in the event the shareholders breach this obligation and voluntarily liquidate the VIE or cause the VIE to liquidate any of its subsidiaries, or the VIE or any of its subsidiaries declares bankruptcy, and all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business operations, which could materially and adversely affect our business, financial condition and results of operations. Furthermore, if our VIE or any of its subsidiaries undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Contractual arrangements we have entered into with our affiliated PRC entities may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Pursuant to applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We would be subject to adverse tax consequences if the PRC tax authorities were to determine that the contractual arrangements between our WFOE and our VIE were not on an arm's length basis and therefore constitute a favorable transfer pricing. As a result, the PRC tax authorities could require that our VIE adjust its taxable income upward for PRC tax purposes. Such a pricing adjustment could adversely affect us by: (i) increasing our VIE' tax expenses without reducing the WFOE's tax expenses, which could subject our VIE to late payment fees and other penalties for under-payment of taxes; and/or (ii) resulting in our WFOE's loss of its preferential tax treatment. In addition, the PRC tax authorities may impose late payment fees and other penalties on our affiliated PRC entities for underpaid taxes. Our results of operations may be adversely affected if our affiliated PRC entities' tax liabilities increase or if they are found to be subject to late payment fees or other penalties.

Risks Related to Doing Business in the PRC

Adverse changes in economic and political policies of the PRC government could have a material and adverse effect on overall economic growth in China, which could materially and adversely affect our business.

Substantially all of our operations are conducted in China and substantially all of our revenues are sourced from China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. Economic reforms begun in the late 1970s have resulted in significant economic growth. However, any economic reform policies or measures in China may from time to time be modified or revised. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven across different regions and among various economic sectors. The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has implemented a number of measures, such as increasing the People's Bank of China's statutory deposit reserve ratio and imposing commercial bank lending guidelines, which have had the effect of slowing the growth of credit availability. In 2008 and 2009, however, in response to the global financial crisis, the PRC government has loosened such requirements. Although the Chinese economy has grown significantly in the past decade, that growth may not continue and any slow-down may have a negative effect on our business. Since 2012, the growth of the Chinese economy has slowed. The overall Chinese economy affects our profitability, since expenditures for travel may decrease in a slowing economy. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China and investment in the travel industry. Such developments could adversely affect our businesses, lead to reduction in demand for our services and adversely affect our competitive position.

Uncertainties with respect to the PRC legal system could adversely affect us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet and other related businesses.

We conduct our business primarily through our PRC subsidiary and consolidated affiliated entities in China. Our operations in China are governed by PRC laws and regulations. Our PRC subsidiary is a foreign-invested enterprise and is subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to foreign-invested enterprises.

The PRC government extensively regulates the Internet and related industries, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the Internet and other related industries. Internet-related laws and regulations in China are relatively new and evolving, and their interpretation and enforcement involve significant uncertainty. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be violations of applicable laws and regulations. Issues, risks and uncertainties relating to PRC government regulation of the Internet industry include, but are not limited to, the following:

- We do not own the mobile platform or websites, due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including internet content provision services. As a result, we only have contractual control over our mobile platform and websites. This may significantly disrupt our business, subject us to sanctions, compromise the enforceability of related contractual arrangements or have other harmful effects on us.

- There are uncertainties relating to the regulation of the Internet and other related industries in China, including evolving licensing practices. This means that permits, licenses or operations at some of our operating entities may be subject to challenge or we may have failed to obtain permits or licenses that applicable regulators may deem necessary for our operations or we may not be able to obtain or renew certain permits or licenses to maintain their validity. For example, we are providing mobile applications to mobile device users free of charge and therefore we do not believe that we need to obtain a separate operating license in addition to the valued-added telecommunications business operating licenses for internet content provision service, or the ICP license, which we have already obtained. Although we believe this is in line with the current market practice, there can be no assurance that we will not be required to apply for an operating license for our mobile applications in the future.

- New laws and regulations may be promulgated that will regulate internet activities, including the online information and advertising of travel products. If these new laws and regulations are promulgated, additional licenses may be required for our operations. If our operations do not comply with these new regulations at the time they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties.

On July 13, 2006, the MIIT, the predecessor of which is the Ministry of Information Industry, issued the Notice of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services. This notice prohibits domestic telecommunication services providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. According to this notice, either the holder of a value-added telecommunications services operation permit or its shareholders must directly own the domain names and trademarks used by such license holders in their provision of value-added telecommunication services. The notice also requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain such facilities in the regions covered by its license. Currently, our VIE and its significant operating subsidiary own the related domain names and trademarks and hold the ICP licenses necessary to conduct our operations and websites in China.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the Internet and other related industries have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet and other related businesses in China, including our business. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to maintain our existing licenses or obtain any new licenses if required by any new laws or regulations. There are also risks that we may be found to violate the existing or future laws and regulations given the uncertainty and complexity of China's regulation of the Internet and other related industries.

Under PRC law, insurance agency activities are categorized into "principal business" or "sideline business" and the operation of both is subject to obtaining approval from the relevant authorities. Insurance agencies engaged in internet insurance activities are required to fulfill certain criteria mainly relating to registered capital thresholds, the possession of a value-added telecommunications business related permit and a filing with the China Insurance Regulatory Commission, or the CIRC. See "Item 4.B. Business Overview—Government Regulations—Regulations on Sideline Insurance Agency." Although our VIE has obtained a Sideline Insurance Agency license, the applicability of the regulations relating to internet insurance with regard to sideline insurance agencies is unclear and, so far, no official interpretations have been issued with respect to this matter. We have yet to complete the filing with the CIRC in accordance with the CIRC rules. If any official interpretations as to their applicability to sideline insurance agencies are issued, we intend to complete such a filing with the CIRC as failure to do so could result in our being subject to penalties imposed by the CIRC, including the imposition of fines and the revocation of our VIE's Sideline Insurance Agency license.

Furthermore, under PRC law, a company that sets up a branch to conduct business in a location outside its registered address must register with the local administration for industry and commerce, or local AIC, while a liaison office, which is typically for liaison purpose without direct business operation, is generally not required to register, although local AICs may have different practices. Our WFOE currently has 187 offices outside its registered address, which are solely responsible for market promotion and not sales or operations. Only two of their offices have been registered. If the relevant local AIC deems that any of our liaison offices is actually a branch and thus subject to such registration requirements, we may be subject to penalties for failing to register such entity. These penalties may include fines and disgorgement of gains or revocation of business license of our WFOE, although we believe that, as a matter of practice, the authorities typically impose an extreme penalty only after repeated warnings are ignored or where a violation is blatant and continuous. Because of the discretionary nature of regulatory enforcements in the PRC, we cannot assure you that we will not be subject to these penalties as a result of violations of the requirements, or that these penalties would not substantially inhibit our ability to operate our business.

If the PRC government were to classify pay-for-performance, or P4P services, as a form of online advertising or as part of internet content services, the P4P and other related services conducted by our WFOE may require an ICP license or other licenses, our effective tax rate may increase and we may be subject to sanctions, be required to pay delinquent taxes and become subject to additional obligations to examine the content of our platforms.

PRC laws and regulations and administrative authorities currently do not classify P4P services and other related services as a form of online advertising or as part of services requiring an ICP license or other licenses. We conduct our P4P and other related business through our WFOE in the PRC, which does not have the qualification to operate online advertising business or hold an ICP license. However, we cannot assure you that the PRC government will not classify P4P and other related services as a form of online advertising or as part of services requiring an ICP license or other licenses in the future. If new regulations characterize P4P and other related services as a form of online advertising or as part of ICP services requiring an ICP license or other licenses, we may have to conduct our P4P business through our VIE or its subsidiaries, which are qualified to operate online advertising business and hold ICP or other licenses, and our tax liability may increase, given the advertising revenues are subject to a 3% government charge for culture-related business in addition to the 6% value-added tax, or VAT. If the change in classification of P4P and other related services were to be retroactively applied, we may be subject to sanctions, including payment of delinquent taxes and fines. In addition, under PRC advertising laws and regulations, an online advertising service provider is obligated to monitor the advertising content posted on its websites to ensure that such content is fair and accurate and in compliance with applicable law. Therefore, the classification of P4P and other related services as a form of online advertising could subject us to an obligation to examine the content of listings of our P4P customers on our platforms and the associated risks. Any change in the classification of P4P and other related service by the PRC government may significantly disrupt our operations and materially and adversely affect our business, results of operations and financial condition.

We principally rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have. Any limitation on the ability of our WFOE to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.

We are a holding company, and we rely principally on dividends and other distributions on equity from our WFOE in China for our cash requirements, including the funds necessary to service any debt we may incur. Current PRC regulations permit our WFOE in China to pay dividends to us only out of its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our WFOE is required to set aside at least 10% of its respective after tax profits each year, if any, to fund certain statutory reserve funds until the aggregate amount of such reserve funds reaches 50% of its registered capital. These reserves are not distributable as cash dividends. At its discretion but in accordance with its articles of association, our WFOE may allocate a discretionary portion of its after-tax profits to staff welfare and bonus funds. Furthermore, if our WFOE incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other payments to us. As a result, our ability to distribute dividends largely depends on earnings from our WFOE and its ability to pay dividends out of its earnings. We cannot assure you that our WFOE will generate sufficient earnings and cash flows in the near future to pay dividends or otherwise distribute sufficient funds to enable us to meet our obligations, pay interest and expenses or declare dividends.

In addition, under the PRC Enterprise Income Tax Law, or EIT Law, and its implementation rules, distributions of earnings generated by our WFOE after January 1, 2008 and paid to the WFOE's immediate holding company incorporated in Hong Kong generally will be subject to a withholding tax (unless the PRC tax authorities determine that our Hong Kong subsidiary is a PRC resident enterprise). If certain conditions and requirements under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income entered into between Hong Kong and the PRC and other related PRC laws and regulations are met, the withholding rate could be reduced from 10% to 5%. In August 2015, the State Administration of Taxation, or the SAT, promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, or SAT Circular 60, which became effective on November 1, 2015. SAT Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident enterprises and their withholding agents may, by self-assessment and upon their confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-filing examinations by the relevant tax authorities. The immediate holding company of our PRC subsidiary is Queen's Road Travel Information Limited, a company incorporated in Hong Kong. Pursuant to the abovementioned laws and regulations, dividends paid by our WFOE to Queen's Road Travel Information Limited may be subject to 5% withholding tax if certain conditions and requirements are satisfied.

In October 2009, the SAT issued a Circular on How to Interpret and Recognize the "Beneficial Owner" in Tax Treaties, or Circular 601, and certain other related rules. According to Circular 601, non-resident enterprises or individuals that cannot provide valid supporting documents as "beneficial owners" may not be approved to enjoy tax treaty benefits. "Beneficial owners" refer to individuals, enterprises or other organizations that are normally engaged in substantive operations. These rules also set forth certain restrictions on a person's qualification as a "beneficial owner." Specifically, the Circular expressly excludes a "conduit company," or any company established for the purposes of avoiding or reducing tax obligations or transferring or accumulating profits and not engaged in actual operations such as manufacturing, sales or management, from the definition of a "beneficial owner." As a result, although our WFOE is currently wholly owned by our Hong Kong subsidiary, we may not be able to enjoy the 5% withholding tax rate under the tax treaty with respect to dividends to be paid by our PRC subsidiary to our Hong Kong subsidiary, because our Hong Kong subsidiary may not qualify as a beneficial owner of the dividends paid by our PRC subsidiary.

We and/or our Hong Kong subsidiary may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in our global income being subject to 25% PRC enterprise income tax.

The EIT Law provides that an enterprise established outside China whose "de facto management body" is located in China is considered a "PRC resident enterprise" and will generally be subject to the uniform 25% enterprise income tax rate, or EIT rate, on its global income. Under the implementation rules of the EIT Law, "de facto management body" is defined as the organization body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, the SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, that sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC. Under Circular 82, a foreign enterprise controlled by PRC enterprises or PRC enterprise groups is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within the PRC. Although Circular 82 explicitly provides that the above standards apply to enterprises that are registered outside the PRC and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect the SAT's criteria for determining the tax residence of foreign enterprises in general. We currently do not believe that we are or our Hong Kong subsidiary is a PRC resident enterprise, because we do not believe that we or our Hong Kong subsidiary meet all of the conditions above. If the PRC tax authorities were to disagree with our position, we or our Hong Kong subsidiary may be subject to PRC enterprise income tax reporting obligations and to 25% PRC enterprise income tax on our global taxable income, except for our income from dividends received from our WFOE, which may be exempt from PRC tax. If we are treated as a PRC resident enterprise, the 25% PRC income tax on our global taxable income could affect our ability to satisfy any cash requirements we may have.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our ADSs or Class B ordinary shares.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of American depositary shares or shares by such non-PRC resident enterprise investors is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of American depositary shares or shares are generally subject to 20% PRC income tax, in each case subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Class B ordinary shares or ADSs, or the gain realized from the transfer of our Class B ordinary shares or ADSs, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax if we were considered a PRC resident enterprise, as described above. If PRC income tax were imposed on gains realized on the transfer of our ADSs or Class B ordinary shares or on dividends paid to our non-resident investors, the value of your investment in our ADSs or Class B ordinary shares may be materially and adversely affected. Furthermore, our non-PRC shareholders and ADS holders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for information displayed on or linked to our platforms.

The PRC government has adopted regulations governing internet access and the distribution of information over the Internet. Under these regulations, internet content providers and internet publishers are prohibited from posting or displaying over the Internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China, or is reactionary, obscene, superstitious, fraudulent or defamatory. Failure to comply with these requirements may result in the revocation of licenses to provide internet content and other licenses and the closure of the concerned websites. In the past, failure to comply with such requirements has resulted in the closure of certain websites. The website operator may also be held liable for such censored information displayed on or linked to the website.

In addition, the MIIT has published regulations that subject website operators to potential liability for content displayed on their websites and the actions of users and others using their systems, including liability for violations of PRC laws prohibiting the dissemination of content deemed to be socially destabilizing. The Ministry of Public Security has the authority to order any local Internet service provider to block any internet website at its sole discretion. From time to time, the Ministry of Public Security has stopped the dissemination over the Internet of information which it believes to be socially destabilizing. The State Administration for the Protection of State Secrets is also authorized to block any website it deems to be leaking State secrets or failing to meet the relevant regulations relating to the protection of State secrets in the dissemination of online information.

Although we attempt to monitor the content in our query results and the user-generated reviews and comments on our platforms, we are not able to control or restrict the content of other internet content providers linked to or accessible through our platforms or content (including reviews, as well as pictures and travel experience sharing) generated or placed on our platforms by our users, experts and others. To the extent that PRC regulatory authorities find any content displayed on or linked to our platforms objectionable, they may require us to limit or eliminate the dissemination of such information on our platforms, which may reduce our user traffic and have an adverse effect on our business. In addition, we may be subject to penalties for violations of those regulations arising from information displayed on or linked to our platforms, including a suspension or shutdown of our online operations.

There are substantial uncertainties with respect to the enactment, final content, interpretation and implementation of the Draft Cyber Security Law and how it may impact our business operations.

On July 1, 2015, the Standing Committee of the National People's Congress of China issued the National Security Law, which came into effect on the same day. The National Security Law provides that the state shall safeguard sovereignty, security and development interests of cyberspace in the state, and the state shall establish a national security review and supervision system to review including foreign investment, key technologies, internet and information technology products and services and other important activities that are likely to impact the national security of China.

On July 6, 2015, the Standing Committee of the National People's Congress of China released the Draft Cyber Security Law to solicit public comments. Once adopted, this will be the first Chinese law that focuses exclusively on cyber security. The Draft Cyber Security Law sets high requirements for the operational security of facilities deemed to be part of PRC's "key information infrastructure facilities," and includes the integration of national security examinations under certain circumstances. "Key information infrastructure facilities" includes networks and systems owned or managed by network service providers with a significant number of users. The Draft Cyber Security Law provides that key information infrastructure facilities operators must set up specialized internal security management divisions and assign appropriate person(s) responsible for security management. Additionally, these operators must conduct background checks on the person(s) responsible for security management and on personnel in critical positions. It further provides that when operators of key information infrastructure facilities purchase network products or services that may affect or involve national security, the operator must pass a security examination jointly arranged by the national network and information authority and the relevant government departments and the national security examination process under the National Security Law will be triggered. The operators of key information infrastructure facilities must store important data collected and generated, including citizens' personal information, exclusively within the territory of the People's Republic of China. The Draft Cyber Security Law also sets increasingly more stringent requirements for network operators. The Draft Cyber Security Law establishes censorship duties for network operators, including digital information distribution service providers and application software download service providers. When these operators notice a prohibited publication, or the transmission of illicit information, they must promptly stop transmitting the information and take measures necessary to prevent the spread of that information. Operators must maintain a record of these incidents when they occur and report them to the competent authorities. The Draft Cyber Security Law empowers certain legal authorities to take measures to cut off any transmission(s) of prohibited information on communication networks. Upon finding prohibited information, those authorities will require that the network operators stop the transmission and take the necessary measures to remove any prohibited content. Where the above prohibited information comes from outside the territory of China, these authorities may request that all related institutions to take necessary measures to stop the flow of prohibited information.

There are substantial uncertainties with respect to the enactment timetable, final content, interpretation and implementation of the Draft Cyber Security Law. The Draft Cyber Security Law, if enacted as proposed, could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

The heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

The SAT issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, in 2009 with retroactive effect from January 1, 2008, whereby a non-resident enterprise that transfers the equity interests of a PRC resident enterprise indirectly by disposing of the equity interests of an overseas holding company, or the Indirect Transfer, which lacks reasonable business purpose may be subject to PRC withholding tax at a rate of up to 10% from gains derived from such Indirect Transfer. Although the SAT issued the Notice on Several Issues on the Administration of Enterprise Income Tax of Non-PRC Resident Enterprises on March 28, 2011, or SAT circular 24, to provide further clarifications on how Circular 698 and its relevant provisions should be implemented, there remain uncertainties as to how "reasonable commercial purposes" is defined or determined or whether transactions conducted as part of an internal restructuring may be immune to re-characterization. On February 3, 2015, the SAT Notice on the Collection of Corporate Income Tax by Indirect Transfer of Assets by Non-Resident Companies, or SAT Notice 7, was released, which provides clarity as to "reasonable commercial purpose", and abolishes certain clauses of both Circular 698 and Circular 24. SAT Notice 7 also expands "Indirect Transfer" from equity interests to movable and immovable property in China and provides safe harbor rules for the public trading of shares in a listed company holding taxable China assets and for indirect transfers resulting from a corporate restructuring.

SAT Notice 7 also provides that, where an Indirect Transfer occurs, both parties to such Indirect Transfer shall submit the relevant documents to the competent tax authority for tax filling purposes, and enterprise income tax will be payable after the share transfer agreement comes into effect and the registration of the share transfers is completed. Indirect Transfers occurring before SAT Notice 7 but for which tax matters have not been resolved will be governed by SAT Notice 7.

SAT Notice 7 is relatively new and there are still uncertainties as to its interpretation and implementation. It brings challenges to both the foreign transferor and transferee of the Indirect Transfer as they are required to make self-assessment on whether the transaction should be subject to PRC tax and to file or withhold the PRC tax accordingly. Further, the PRC tax authorities have discretion under SAT Circular 698 and SAT Notice 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the equity interests transferred and the cost of investment. We have conducted and may conduct acquisitions involving corporate structures and historically our shares were transferred by certain former shareholders to our current shareholders. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

Discontinuation of any of the preferential tax treatments or imposition of any additional taxes could adversely affect our financial condition and results of operations.

China passed the EIT Law and its implementation rules, both of which became effective on January 1, 2008. The EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the previous laws and regulations. The EIT Law, however, (i) reduces the statutory rate of the enterprise income tax from 33% to 25%, (ii) permits companies established before March 16, 2007 to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules promulgated by the State Council on December 26, 2007, and (iii) introduces new tax incentives, subject to various qualification criteria. The EIT Law and its implementation rules permit certain "high and new technology enterprises strongly supported by the state" that hold independent ownership of core intellectual property to enjoy a preferential enterprise income tax rate of 15% subject to certain new qualification criteria. Our WFOE and VIE were recognized by the relevant authorities as "high and new technology enterprises," or HNTEs, on December 14, 2009 and were reaffirmed as such pursuant to a three-year review on October 30, 2012 and July21, 2015, and therefore remain eligible for the reduced 15% corporate income tax rate upon their filing with the relevant tax authorities. The qualification as a "high and new technology enterprise" is subject to annual evaluation and a three-year review by the relevant authorities in China. In order to maintain this qualification and the preferential tax rate, our WFOE and VIE must submit a review application to the Beijing Municipal Science and Technology Commission before July 21, 2018. If either our WFOE or our VIE fails to maintain its "high and new technology enterprise" qualifications or renew these qualifications when the relevant term expires, its applicable corporate income tax rate would increase to 25%, which could have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to maintain our current effective tax rate in the future.

The PRC government's pilot plan to replace the business tax with a VAT may require us to pay more taxes.

Pursuant to the PRC Provisional Regulations on Business Tax, taxpayers providing taxable services falling under the category of service industry in China are required to pay a business tax at a normal tax rate of 5% of their revenues. In November 2011, the Ministry of Finance and the SAT promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax or the VAT pilot plan. Pursuant to this VAT pilot plan and relevant notices issued by the Beijing Municipal Office of SAT, from September 1, 2012, a VAT is imposed to replace the business tax in the transport and shipping industry and some of the modern service industries in Beijing. Under the VAT pilot plan, a VAT rate of 6% applies to certain modern service industries. Our WFOE and most of our affiliated PRC entities are located in Beijing and, since this pilot plan applies to our businesses, we are subject to a VAT rate of 6%, subject to certain offset by the VAT we pay in connection with the purchases from our suppliers. On March 23, 2016, the Ministry of Finance and the SAT jointly issued the Notice on Comprehensive Implementation of the Pilot Program for Imposition of Value-Added Tax to Replace Business Tax, or the Notice. Pursuant to the Notice, the VAT reforms will be implemented comprehensively across the country and extended to the construction, real estate, financial and consumer services industries from May 1, 2016. The 6% VAT rate is higher than the business tax rate that previously applied to us and may have a negative effect on our financial condition and results of operations.

With respect to display advertising services, we regularly provide such services at a discount to our standard rates, a standard industry practice in the PRC. These discounts are in the form of free advertising elements, of which the duration and other terms of services are specified as part of the advertisement contract. The VAT pilot plan created uncertainties as to whether these free elements should constitute deemed taxable services and therefore should not be treated as discounts to the overall contract arrangements and should be subject to VAT based on the standard rates of services. We currently do not treat such free elements as giving rise to deemed taxable services for VAT purposes. The rules related to the VAT pilot plan are still evolving and the timing of the promulgation of the final tax rules or related interpretation is uncertain. The estimated amount for this contingency up to December 31, 2015 was RMB7.2 million (US$1.1 million).

PRC regulations of loans to PRC entities and direct investment in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our WFOE.

We may transfer funds to our WFOE or finance our WFOE by means of shareholder loans or capital contributions. Any loans to our WFOE, which is a foreign-invested enterprise, cannot exceed statutory limits based on the difference between the registered capital and the investment amount of such subsidiary, and shall be registered with the State Administration of Foreign Exchange, or SAFE, or its local counterparts. Furthermore, any capital contributions we make to our WFOE shall be approved by the MOFCOM or its local counterparts. We may not be able to obtain these government registrations or approvals on a timely basis, if at all. If we fail to receive such registrations or approvals, our ability to provide loans or capital contributions to our WFOE in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

SAFE promulgated the Circular on Issues concerning Straightening the Administration of Foreign Exchange Businesses, or SAFE Circular 59, on November 9, 2010, which requires the local SAFE branch and banks to closely examine the authenticity of the settlement of net proceeds from offshore offerings and the net proceeds to be settled in the manner described in the offering documents. On March 30, 2015, the SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. Circular 19 adopts a concept of "discretionary conversion", which is defined as the conversion of a foreign-invested enterprise's foreign currency registered capital in accordance with the enterprise's actual business needs. No review of the purpose of the funds is required at the time of conversion under Circular 19. However, use of any Renminbi funds converted from its registered capital shall be based on true transaction. In addition, equity investments using converted registered capital are no longer prohibited under Circular 19. Nevertheless, foreign-invested enterprises like our PRC subsidiaries are still not allowed to extend intercompany loans to our VIE. In addition, as SAFE Circular 19 was promulgated recently, there remain substantial uncertainties with respect to the interpretation and implementation of this circular by relevant authorities. See "Item 4. Information on the Company—B. Business Overview—Government Regulations□Regulations on Foreign Exchange."

Restrictions on the remittance of RMB into and out of the PRC and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and may affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenues in RMB and substantially all of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our subsidiaries in China after they receive payments from our VIE under various service and other contractual arrangements. We may convert a portion of our revenues into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our WFOE to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain routine procedural requirements. Therefore, our WFOE is able to pay dividends in foreign currencies to us without prior SAFE approval, provided that we comply with certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of PRC. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of PRC.

We may be subject to penalties, including restriction on our ability to inject capital into our WFOE and our WFOE's ability to distribute profits to us, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange rules.

On July 4, 2014, SAFE promulgated the Notice on Relevant Issues Concerning Foreign Exchange Control of Domestic Residents' Overseas Investment and Financing and Roundtrip Investment through Offshore Special Purpose Vehicles, or SAFE Circular No. 37, which replaced the former Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles (generally known as SAFE Circular No. 75) promulgated by SAFE on October 21, 2005.

SAFE Circular No. 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, which is referred to in SAFE Circular No. 37 as a "special purpose vehicle." SAFE Circular No. 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as an increase or decrease of capital contributed by PRC residents' share transfer or exchange, merger, division or other material events. In the event that a PRC resident holding interests in a special purpose vehicle fails to complete the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Currently, all of our shareholders who are PRC residents have registered with the competent local branch of SAFE with respect to their investments in our company as required by SAFE Circular No. 75 and will update their registration filings with SAFE under SAFE Circular No. 37 when there are any changes that should be registered under SAFE Circular No. 37. However, we may not at all times be fully aware or informed of the identities of all of our shareholders or beneficial owners that are required to make such registrations, and if or when we have such shareholders or beneficial owners, we may not always be able to compel them to comply with SAFE Circular No. 37 requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by, SAFE Circular No. 37 or other related regulations. The failure or inability of such individuals to comply with the registration procedures set forth in these regulations may subject us to fines or legal sanctions, restrictions on our cross-border investment activities or our PRC subsidiaries' ability to distribute dividends to, or obtain foreign-exchange-dominated loans from, our company, or prevent us from making distributions or paying dividends. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected.

Failure to comply with PRC regulations regarding the registration requirements for stock ownership plan or stock option plan may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under SAFE regulations, PRC residents who participate in an employee stock ownership plan or stock option plan in an overseas publicly-listed company are required to register with the SAFE or its local branch and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly-listed company, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of these participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise or sale of stock options. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes.

We and our PRC resident employees who participate in our share incentive plans, which we adopted in 2007 and 2015, have been subject to these regulations since our company became publicly listed in the United States in November 2013. If we or our PRC resident option grantees fail to comply with these regulations, we or our PRC resident option grantees may be subject to fines and other legal or administrative sanctions. See "Item 4. Information on the Company—B. Business Overview—Government Regulations Regulations on Employee Stock Options Plans."

Fluctuation in the value of the RMB may have a material adverse effect on the value of your investment.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. Our revenues and costs are mostly denominated in RMB. We rely entirely on dividends and other fees paid to us by our subsidiaries and affiliated entities in China. Any significant revaluation of the RMB may materially and adversely affect our cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, an appreciation of the RMB against the U.S. dollar would make any new RMB-denominated investments or expenditures more costly to us, to the extent that we need to convert U.S. dollars into RMB for such purposes.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under the new policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy resulted in an over 20% appreciation of the RMB against the U.S. dollar over the following three years. For almost two years after reaching a high against the U.S. dollar in July 2008, however, the RMB traded within a narrow band against the U.S. dollar, remaining within 1% of its July 2008 high. As a consequence, the RMB fluctuated sharply since July 2008 against other freely traded currencies, in tandem with the U.S. dollar. In April 2012, the PRC government announced that it would allow more RMB exchange rate fluctuation. However, it remains unclear how this announcement might be implemented. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuation of the RMB against the U.S. dollar. From June 2010 to January 2014, the RMB has appreciated against the U.S. dollar from approximately RMB6.82 per U.S. dollar to RMB6.05 per U.S. dollar, reaching a new historical height, followed by the RMB depreciating against the U.S. dollar to RMB6.48 per U.S. dollar on December 31, 2015.

Our revenues and costs are mostly denominated in RMB and a significant portion of our financial assets are also denominated in RMB. We are a holding company and we rely on dividends paid by our operating subsidiaries in China for our cash needs. Any significant revaluation of the RMB may materially and adversely affect any dividends payable on our ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars we received from our initial public offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us.

PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC laws and regulations, such as the New M&A Rules, Anti-Monopoly Law of the PRC and the Rules of MOFCOM on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by the MOFCOM in August 2011, or the MOFCOM Security Review Rules, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that MOFCOM be notified in advance of any change of control transaction in which a foreign investor takes control of a PRC domestic enterprise, or that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review.

The MOFCOM Security Review Rules are formulated to implement the Notice of the General Office of the State Council on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated on February 3, 2011, or Circular No. 6. The MOFCOM Security Review Rules came into effect on September 1, 2011 and replaced the Interim Provisions of the MOFCOM on Matters Relating to the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM in March 2011. According to these circulars and rules, a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire the "de facto control" of domestic enterprises that have "national security" concerns. In addition, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review, the MOFCOM will look into the substance and actual impact of the transaction. The MOFCOM Security Review Rules further prohibit foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions.

There is no requirement for foreign investors in those mergers and acquisitions transactions already completed prior to the promulgation of Circular No. 6 to submit such transactions to MOFCOM for security review. As we have already obtained "de facto control" over our affiliated PRC entities prior to the effectiveness of these circulars and rules, we do not believe that we are required to submit our existing contractual arrangement to the MOFCOM for security review.

However, as these circulars and rules are relatively new and there is a lack of clear statutory interpretation on the implementation of the same, there is no assurance that the MOFCOM will not apply these national security review-related circulars and rules to the acquisition of equity interest in our WFOE. If we are found to be in violation of the MOFCOM Security Review Rules and other PRC laws and regulations with respect to merger and acquisition activities in China, or fail to obtain any of the required approvals, the relevant regulatory authorities would have broad discretion in dealing with such violation, including levying fines, confiscating our income, revoking our WFOE's business or operating licenses and requiring us to restructure or unwind the relevant ownership structure or operations. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial condition and results of operations. Further, if the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangement. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face certain risks relating to the real properties that we lease.

We lease real properties from third parties primarily for our office use in the PRC, and we have certain title defects relating to these properties. The premises currently used by our headquarters in Beijing, China, are leased from a third party. The registered uses for such building and its underlying land do not include use by an industrial or commercial company like us. Therefore, the lease of such a property to us shall be subject to approval by the competent government authorities and may be subject to payment of premium fees to the government by the lessor. We cannot ensure that the lessor has completed all or any of the necessary formalities with the relevant governmental authorities.

We also lease from third parties certain other real properties, and the title certificates or building ownership certificates for some of those properties have not been provided to us. We cannot assure you that title to these properties we currently lease will not be challenged. In addition, we have not registered any of our lease agreements with relevant PRC governmental authorities as required by PRC law and, although failure to do so does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties.

As of the date of this annual report, we are not aware of any actions, claims or investigations being contemplated by government authorities with respect to the defects in our leased real properties or any challenges by third parties to our use of these properties. However, if third parties who purport to be property owners or beneficiaries of the mortgaged properties challenge our right to lease these properties, we may not be able to protect our leasehold interest and may be ordered to vacate the affected premises, which could in turn materially and adversely affect our business and operating results.

The enforcement of the PRC Labor Contract Law and other labor-related regulations in the PRC may adversely affect our business and our results of operations.

On June 29, 2007, the Standing Committee of the National People's Congress of China enacted the Labor Contract Law, which became effective on January 1, 2008, as amended on December 28, 2012 and effective as of July 1, 2013. The PRC Labor Contract Law introduces specific provisions related to fixed-term employment contracts, part-time employment, probation, consultation with labor union and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining, which together represent enhanced enforcement of labor laws and regulations. According to the PRC Labor Contract Law, an employer is obliged to sign an unlimited-term labor contract with any employee who has worked for the employer for ten consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract must have an unlimited term, with certain exceptions. The employer must pay severance to an employee where a labor contract is terminated or expires, with certain exceptions. In addition, the government has continued to introduce various new labor-related regulations after the effectiveness of the PRC Labor Contract Law. For example, regulations require that annual leave ranging from five to 15 days be made available to employees and that employees be compensated for any untaken annual leave days at a rate of three times their daily salary, subject to certain exceptions. On October 28, 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, which became effective on July 1, 2011. According to the PRC Social Insurance Law, employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees.

As a result of these regulations designed to enhance labor protection, we expect our labor costs to increase. In addition, as the interpretation and implementation of these new regulations are still evolving, our employment practice may not at all times be deemed in compliance with the new regulations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and results of operations may be adversely affected.

Our auditor, like other independent registered public accounting firms operating in China, is not permitted to be subject to inspection by the Public Company Accounting Oversight Board, and as such, investors may be deprived of the benefits of such inspection.

Our independent registered public accounting firm that issued the audit reports included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and applicable professional standards. Because our auditor is located in China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the PRC authorities, our auditor, like other independent registered public accounting firms operating in China, is currently not inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside of China have identified deficiencies in those firms' audit procedures and quality control procedures, and such deficiencies may be addressed as part of the inspection process to improve future audit quality. The inability of the PCAOB to conduct inspections of independent registered public accounting firms operating in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures, and to the extent that such inspections might have facilitated improvements in our auditor's audit procedures and quality control procedures, investors may be deprived of such benefits.

Additional remedial measures imposed on the Big Four PRC-based accounting firms, including our independent registered public accounting firm, could result in our financial statements being determined to not be in compliance with the requirements of the Exchange Act.

In December 2012, the SEC instituted administrative proceedings against the Big Four PRC-based accounting firms, including our independent registered public accounting firm, alleging that these firms had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' audit work papers with respect to certain PRC-based companies that are publicly traded in the United States. On January 22, 2014, the administrative law judge, or the ALJ, presiding over the matter rendered an initial decision that each of the firms had violated the SEC's rules of practice by failing to produce audit workpapers to the SEC. The initial decision censured each of the firms and barred them from practicing before the SEC for a period of six months. The Big Four PRC-based accounting firms appealed the ALJ's initial decision to the SEC. The ALJ's decision does not take effect unless and until it is endorsed by the SEC. On February 6, 2015, the four China-based accounting firms each agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S.-listed companies. The settlement required the firms to follow detailed procedures and to seek to provide the SEC with access to Chinese firms' audit documents via the China Securities Regulatory Commission, or the CSRC. If future document productions fail to meet specified criteria, the SEC retains authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure.

We cannot predict if the SEC will further review the four China-based accounting firms' compliance with specified criteria or if the results of such a review would result in the SEC imposing penalties such as suspensions or restarting the administrative proceedings. If the Big Four PRC-based accounting firms, including our independent registered public accounting firm, were to be ultimately barred from practicing before the SEC, and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined to not be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to our delisting from NASDAQ or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

Risks Related to Our ADSs

The market price for our ADSs may be volatile, which could result in substantial losses to you.

The daily closing trading prices of our ADSs ranged from US$27.10 to US$54.78 in 2015. The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in market prices of other companies with business operations located mainly in China that have listed their securities in the United States. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial declines in the trading prices of their securities. The trading performances of other Chinese companies' securities after their offerings, including internet companies, may affect the attitudes of investors towards Chinese companies listed in the United States, which consequently may impact the trading price of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices, business practice, fraudulent accounting, corporate structure or matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. Volatility in global capital markets, as was experienced during the recent global financial crisis and the ongoing European debt crisis, could also have an adverse effect on the market price of our ADSs. Furthermore, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our ADSs.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile due to specific factors, including the following:

- actual or anticipated fluctuations in our quarterly results of operations;
- changes in financial estimates by securities research analysts;
- negative publicity, studies or reports;
- changes in the economic performance or market valuations of other companies operating in our industry;
- announcements by us or our competitors of material acquisitions, corporate transactions, strategic partnerships, joint ventures or capital commitments;
- fluctuations of exchange rates between RMB and the U.S. dollar;
- intellectual property litigation;
- actual or threatened litigation arising from other reasons including contract disputes with our business partners;
- release or expiry of lock-up or other transfer restrictions on our outstanding shares or ADSs;
- regulatory developments affecting us, our customers and our industry, and
- sales or perceived potential sales of additional ADSs or ordinary shares.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

Our quarterly results may fluctuate, making quarterly comparisons and financial forecasting difficult, and could fall below investor expectations or estimates by securities research analysts, which may cause the trading price of our ADSs to decline.

Our revenues and operating results have varied significantly from quarter to quarter because our business experiences seasonal fluctuations, which reflect seasonal trends for demand for the travel products searched and advertised on our platform. Traditional leisure travel bookings in China are generally more frequent in the first and third quarter of the year primarily, because during the first quarter, many people travel to reunite with their families for the Chinese New Year holiday, and, during the third quarter, summer break for students, favorable weather throughout China and advance travel booking for the National Day holiday all contribute to an increased amount of travel activities in China. We have seen and expect to continue to see that the most significant quarter-over-quarter growth of our revenues will be earned in the first and third quarters. However, the historical seasonality of our business has been relatively mild due to the rapid growth we have experienced. In addition, advertising spending has historically been cyclical in nature, reflecting overall economic conditions as well as individual travel patterns. As our business is rapidly changing and evolving, which has tended to mask the cyclicality and seasonality of our business, our historical operating results may not be useful to you in predicting our future operating results. As our growth rate slows, the seasonality and cyclicality of our business will become more pronounced and cause our operating results to fluctuate.

A number of factors, many of which are beyond our control, may cause our results of operations for future periods to fall below the expectations of public market analysts and investors, causing the market price of our securities to decline. Factors that may affect our quarterly results include, but are not limited to:

- seasonal variations in operating results;
- the discretionary nature of our users' demands and spending patterns;
- the cyclical nature of advertising spending;
- competition from our competitors;
- vulnerability of our business to a general economic downturn in the global economy; and
- changes in the laws that affect our operations.

As a result, investors should not rely on quarter-to-quarter comparisons of results of operations as an indication of future performance.

Substantial future sales or the perception of sales of our ADSs or ordinary shares in the public market could cause the price of our ADSs to decline.

Sales of substantial amounts of our ordinary shares or ADSs, including those issued upon the exercise of outstanding options, in the public market, or the perception that these sales could occur, could adversely affect the price of our ADSs and could impair our ability to raise capital through the sale of additional shares. Such sales may also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. As of March 31, 2016, we had an aggregate of 434,347,172 ordinary shares issued and outstanding. All our ordinary shares represented by ADSs were freely transferable by persons other than our directors, executive officers and other affiliates (as that term is defined in the Securities Act) without restriction or additional registration under the Securities Act. The remaining ordinary shares will be available for sale subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of our ordinary shares issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our ordinary shares. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are organized under Cayman Islands law, conduct substantially all of our operations in China and all of our directors and officers reside outside the United States.

Our corporate affairs are governed by our amended and restated memorandum and articles of association and by the Companies Law (2013 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in the United States. In particular, the Cayman Islands have a less developed body of securities laws as compared to the U.S. and provide significantly less protection to investors. Therefore, our public shareholders may have more difficulties in protecting their interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action before the federal courts of the United States. As a result, our ability to protect our interests if we are harmed in a manner that would otherwise enable us to sue in a United States federal court may be limited.

We are incorporated in the Cayman Islands, and conduct substantially all of our operations in China through our WFOE and VIE in China. All of our officers reside outside the United States and some or all of the assets of those persons are located outside of the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these individuals or to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests through actions against our management, directors or major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

You may not have the same voting rights as the holders of our Class B ordinary shares and must act through the depositary to exercise your rights.

Holders of our ADSs will not be able to exercise voting rights attaching to the shares represented by our ADSs on an individual basis, unless he/she converts such ADSs into Class B ordinary shares registered directly in his/her own name. Holders of our ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the shares represented by the ADSs. You may not receive voting materials in time to instruct the depositary to vote, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote. Upon our written request, the depositary will mail to you a shareholder meeting notice which contains, among other things, a statement as to the manner in which your voting instructions may be given, including an express indication that such instructions may be given or deemed given to the depositary to give a discretionary proxy to a person designated by us if no instructions are received by the depositary from you on or before the response date established by the depositary. However, no voting instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter as to which we inform the depositary that (i) we do not wish such proxy given, (ii) substantial opposition exists, or (iii) such matter materially and adversely affects the rights of shareholders. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if the shares underlying your ADSs are not voted as you requested.

You may be subject to limitations on the sale, deposit, cancellation and transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary thinks it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

You may not be able to participate in rights offerings and may experience dilution of your holdings as a result.

If we offer holders of our Class B ordinary shares any rights to subscribe for additional shares or any other rights, the depositary may make these rights available to you. However, the depositary may allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them. In addition, U.S. securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act, with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. We can give no assurance that we can establish an exemption from registration under the Securities Act and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, you may be unable to participate in our rights offerings and may experience dilution of your holdings as a result.

You may lose some or all of the value of the distribution by the depositary if the depositary cannot convert RMB into U.S. dollars on a reasonable basis.

The depositary will convert any cash dividend or other cash distribution we pay on the Class B ordinary shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any approval from any government is needed and cannot be obtained, the depositary is allowed to distribute RMB only to those ADS holders to whom it is possible to do so. It will hold RMB it cannot convert for the account of the ADS holders who have not been paid. However, it will not invest RMB and it will not be liable for interest. In addition, if the exchange rates fluctuate during a time when the depositary cannot convert RMB, the ADS holders who have not been paid may lose some or all of the value of the distribution.

You may not receive distributions on our Class B ordinary shares or any value for them if such distribution is illegal or impractical or if any required government approval cannot be obtained in order to make such distribution available to you.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class B ordinary shares or other deposited securities after deducting its fees and expenses, although we do not expect to pay dividends in the near future. You will receive these distributions in proportion to the number of Class B ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. We have no obligation under the U.S. securities laws to register the ADSs, Class B ordinary shares, rights or other securities distributed through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, Class B ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive the distribution we make on our Class B ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may have a material adverse effect on the value of your ADSs.

Our dual-class share structure with different voting rights give holders of our Class A ordinary shares a disproportionate influence in corporate matters that are put to a shareholder vote, including any potential significant corporate transactions that holders of our Class B ordinary shares and the ADSs may view as beneficial.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. On all matters subject to shareholders' vote and put to a vote on a poll, holders of Class A ordinary shares are entitled to three votes per share, while holders of Class B ordinary shares are entitled to one vote per share. Our ADSs represent our Class B ordinary shares. In addition, all options granted prior to or to be granted after the completion of our initial public offering entitle option holders to the equivalent number of Class B ordinary shares once the options are vested and exercised. Upon any sale, pledge, transfer, assignment or disposition of a Class A ordinary share by its holder to a person who is not already a holder of Class A ordinary shares and is not an affiliate (as defined in our memorandum and articles of association) of such holder, such Class A ordinary share shall automatically convert into one Class B ordinary share without any actions on the part of the transferor or the transferee. If Class A ordinary shares are transferred by a shareholder to its affiliate, and within six months after such transfer there is a change of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of the Class A ordinary shares held by that affiliate, then such Class A ordinary shares will automatically and immediately convert into an equal number of Class B ordinary shares. Class A ordinary shares may be converted into an equal number of Class B ordinary shares at any time at the election of the holder of the Class A ordinary shares. In no event shall Class B ordinary shares be convertible into Class A ordinary shares.

As of March 31, 2016 our existing Class A ordinary shareholders collectively own approximately 4.9% of the total voting power represented by our outstanding ordinary shares. The disparate voting powers attached to these two classes of ordinary shares give holders of our Class A ordinary shares a disproportionate influence in corporate matters that are put to a shareholder vote, including significant corporate transactions such as any potential merger, takeover or other change of control transactions that holders of Class B ordinary shares and ADSs may view as beneficial.

We have granted, and may continue to grant, employee share options, restricted shares and other types of awards under our share incentive plans, which may result in increased share-based compensation expenses.

We adopted our 2007 share incentive plan in November 2007, as most recently amended and restated in February 2015, and our 2015 share incentive plan in November 2015. We are required to account for share-based compensation in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718, *Compensation—Stock Compensation*, which requires a company to recognize, as an expense, the fair value of share options and other equity incentives to employees based on the fair value of equity awards on the date of the grant, with the compensation expense recognized over the period in which the recipient is required to provide service in exchange for the equity award. As of March 31, 2016, options to purchase a total of 17,793,165 Class B ordinary shares were outstanding under our share incentive plans. For the years ended December 31, 2013, 2014 and 2015, we recorded RMB63.7 million, RMB 266.4 million and RMB 4,782.6 million (US$738.3 million), respectively, in share-based compensation expenses. We believe the granting of share-based compensation is of significant importance to our ability to attract, retain and motivate our management team and talented employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase significantly, which may have an adverse effect on our results of operations. See Note 2 of the Notes to the Consolidated Financial Statements for the years ended December 31, 2013, 2014 and 2015 included in this annual report for a more detailed presentation of accounting for our share-based compensation plan.

We rely on the foreign private issuer exemption from certain corporate governance requirements under the NASDAQ Stock Market Rules.

As a foreign private issuer whose ADSs are listed on the NASDAQ, we are permitted to follow certain home country corporate governance practices pursuant to exemptions under the NASDAQ Stock Market Rules. A foreign private issuer must disclose in its annual reports filed with the SEC each requirement under the NASDAQ Stock Market Rules with which it does not comply, followed by a description of its applicable home country practice. Our Cayman Islands home country practices may afford less protection to holders of our ADSs. We follow in certain cases our home country practices and rely on certain exemptions provided by the NASDAQ Stock Market Rules to foreign private issuers, including, among others, exemption from the requirement to hold an annual meeting of shareholders no later than one year after an issuer's fiscal year end, exemptions from the requirement that a board of directors comprised of a majority of independent directors, exemptions from the requirements that an issuer's nominating and corporate governance committee and compensation committee, each of which should comprised solely of independent directors, and exemptions from the requirement that share incentive plans be approved by shareholders. See "Item 6. Directors, Senior Management and Employees—C. Board Practices" and "Item 16G. Corporate Governance" for more information on the significant differences between our corporate governance practices and those followed by U.S. companies under the NASDAQ Rules. As a result of our reliance on the corporate governance exemptions available to foreign private issuers, you will not have the same protection afforded to shareholders of companies that are subject to all of NASDAQ's corporate governance requirements.

Furthermore, because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time, and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. As a result, you may not be provided with the same benefits as a holder of shares of a U.S. issuer.

There can be no assurance that we will not be a passive foreign investment company, or a PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ADSs or Class B ordinary shares.

The rules governing passive foreign investment companies, or PFICs, can have adverse effects for U.S. investors for U.S. federal income tax purposes. The tests for determining PFIC status for a taxable year depend upon the relative values of certain categories of assets and the relative amounts of certain kinds of income. Specifically, a non-U.S. corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income (which includes cash).

As discussed in "Taxation—U.S. Federal Income Tax Considerations," we do not believe we were a PFIC for our 2015 taxable year. However, the determination of whether we are a PFIC depends on particular facts and circumstances (such as the valuation of our assets, including goodwill and other intangible assets) and may also be affected by the application of the PFIC rules, which are subject to differing interpretations. The fair market value of our assets is expected to depend, in part, upon (1) the market price of the ADSs, which is likely to fluctuate and (2) the composition of our income and assets from time to time. In addition, it is not entirely clear how the contractual arrangements between us and our VIE will be treated for purposes of the PFIC rules. In light of the foregoing, no assurance can be provided that we are not currently a PFIC or that we will not become a PFIC in any future taxable year.

If we were a PFIC for any taxable year during which a U.S. person held an ADS or a Class B ordinary share, certain adverse U.S. federal income tax consequences could apply to such U.S. person, such as ineligibility for reduced tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws and Treasury regulations. See "Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

Item 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Mr. Frederick Demopoulos, Mr. Chenchao (CC) Zhuang and Mr. Douglas Khoo launched www.qunar.com, which was then registered under Mr. Zhuang's personal name, in May 2005 to provide online travel search services. In March 2006, our VIE was established in the PRC and commenced operations of online travel search business. In July 2006, Qunar Cayman Islands Limited, or Qunar Cayman, was incorporated in the Cayman Islands.

In October 2006, Qunar Cayman established the WFOE, Beijing Qunar Software Technology Co., Ltd., as Qunar Cayman's wholly foreign-owned enterprise in the PRC. In August 2010, Qunar Cayman set up Queen's Road Travel Information Limited, or Qunar HK, as its wholly-owned subsidiary in Hong Kong. Through a share transfer agreement between Qunar Cayman and Qunar HK in March 2011, the WFOE became a wholly-owned subsidiary of Qunar HK and an indirect wholly-owned subsidiary of Qunar Cayman.

PRC laws, regulations and rules currently restrict foreign-invested entities engaging in the operation of internet-related businesses in China. To comply with PRC laws, regulations and rules, we operate our Qunar.com website through our VIE. In October 2006, through the WFOE, we entered into certain contractual arrangements with our VIE and its shareholders through which we obtained effective control over the operations of our VIE.

Since 2006, we have completed various rounds of equity financing. In October 2009, we effected a 10-for-1 share split for all of the shares in our authorized share capital at the time. As a result, the par value of the shares was changed to US$0.001 per share. Unless otherwise noted, all share information and per share data included in this annual report and accompanying financial statements have been adjusted to reflect this share split and change in par value.

From 2006 to 2007, we issued and sold a total of 26,513,257 Series A preferred shares to several investors for an aggregate consideration of US$2.5 million. From 2007 to 2009, we issued and sold a total of 24,828,360 Series B preferred shares to a number of investors for an aggregate consideration of US$8.4 million. From 2009 to 2010, we issued and sold a total of 11,750,990 Series C preferred shares for an aggregate consideration of US$14.0 million.

In July 2011, we entered into an agreement with Baidu Holdings Limited, a wholly-owned subsidiary and the investment vehicle of Baidu, Inc., a Cayman Islands company listed on the NASDAQ Global Select Market. Pursuant to the agreement, Baidu paid US$306 million to acquire 181,402,116 of our ordinary shares and became our majority shareholder. We continued to operate independently after the transaction. In connection with the Baidu Transaction, we and Baidu also entered into a series of agreements regarding the share conversion and restructuring of arrangements for our VIE, our business cooperation with Baidu, as well as Baidu's rights as our shareholder.

In March 2013, we issued and sold a total of 21,662,296 ordinary shares to several investors, including Baidu Holdings Limited, for US$57.0 million pursuant to a share purchase agreement. The shares are subject to the investors' rights agreement (as amended), the voting agreement (as amended) and the transfer of shares agreement (as amended) that we entered into in connection with our transactions with Baidu.

In November 2013, we completed an initial public offering of 12,777,650 ADSs (including the ADSs sold in connection with the over-allotment offering), representing 38,332,950 Class B ordinary shares. On November 1, 2013, our ADSs were listed on The NASDAQ Global Market under the symbol "QUNR." In conjunction with, and subject to, the completion of the offering, we issued and sold 1,000,000 Class B ordinary shares to Jaguarundi Partners, LLC, or Jaguarundi, a company incorporated in the State of Delaware, in November 2013.

In June 2015, we offered 6,842,106 ADSs through a public offering, representing 20,526,318 Class B ordinary shares. We also issued 2.0% senior unsecured convertible notes in the aggregate amount of US$500 million with a conversion price of $55 per ADS in June 2015.

In October 2015, Baidu sold 178,702,519 of our Class A ordinary shares and 11,450,000 of our Class B ordinary shares to Ctrip in exchange for 11,488,381 ordinary shares of Ctrip.

In January 2016, the initial holders of our convertible notes irrevocably waived and relinquished their rights to convert the convertible notes held by them and transferred all of the convertible notes held by them, free of conversion rights, to Ctrip.

Our principal executive offices are located at 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District, Beijing, People's Republic of China. Our telephone number at this address is +86 10 5760 3000. Our registered office in the Cayman Islands is located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands.

B. BUSINESS OVERVIEW

Overview

We are evolving the way people travel in a world increasingly enabled by technology. Qunar means "where to go" in Mandarin Chinese. As one of the leading mobile and online commerce platform for travel in China, we are committed to building a travel ecosystem serving the entire travel industry value chain.

The travel industry in China is undergoing rapid growth as the volume of leisure travel increases and demand for travel products grows dramatically. At the same time, the penetration of online travel remains relatively low in China and the industry remains fragmented, which made the distribution of travel products and services inefficient. Consumers want effective means to find the most relevant and best valued travel products among the growing range of potential choices. In addition, they also increasingly seek secure and convenient means to complete travel transactions and receive services online, particularly on mobile devices. On the other hand, many travel service providers lack the resources to efficiently market to travelers and to sell their products online.

We address these specific needs of Chinese travelers and travel service providers by efficiently matching industry supply and demand through our proprietary technologies. Our unique value propositions to our users and our customers enable us to create a strong network effect whereby an increasing number of users attract more and better commercial arrangements with travel service providers which, in turn, attracts even more users to our platform. We offer a range of travel products including flights, hotels, vacations packages, attraction tickets and other travel related offerings. The breadth of product selection on our platform provides a one-stop solution for users to purchase travel products across different verticals.

Our robust mobile platform enables us to offer an uniquely positive user experience in the travel industry. We have been at the forefront of the mobile shift in the industry and we have observed that mobile users stay active with us for a long period of time. The longer they stay with us, the more frequently they complete transactions on our platform. The behaviors of our mobile users, especially in the mobile era where users prefer to have all transactions completed through one single mobile application, has enabled us to cross-sell many different categories of our travel products. This engaged and loyal mobile user base, combined with our ability to continuously expand our product offerings has enabled us to attract even more active users, increase user engagement and further enhance a virtuous network effect. In 2015, mobile contributed 71% of our total revenue, 51% of our flights tickets sold and 83% of our hotel room nights stayed. These percentage metrics have also been consistently increasing quarter over quarter in 2015.

We are a technology-driven company. We have leveraged our technology capabilities to create a number of innovative applications including:

- *Mobile*. We have developed Qunar Travel, our powerful proprietary mobile application to make travel convenient and accessible for China's fast growing mobile population. Qunar Travel enables our users to search for and purchase travel products with ease, and enables us to deliver timely user and customer services and build a vibrant online travel community.

- *SaaS*. Launched in 2010, our SaaS system provides an online presence for over 360,000 travel service providers. Our SaaS system provides us direct access to large volumes of travel product data and enables transaction processing within our platform. The early implementation of our SaaS system has allowed us to transition into the mobile age smoothly by providing the data infrastructure to complete transactions entirely within our own platform and avoiding the technical difficulties of redirecting our users out of our mobile applications to third-party applications or mobile websites.

- *Search*. Our search engine provides real-time, comprehensive and accurate travel products information directly sourced from travel service providers and through our SaaS platform.

Our proprietary technologies enable us to provide more efficient services and accelerate our network effect. Building upon our technology strength, we strive to provide a comprehensive transaction platform for every Chinese traveler and travel service provider. Going forward, technology will continue to support the scalable growth of our business through automation while maintaining controlled personnel growth.

For our customers, we provide the infrastructure for them to offer travel products and services to Chinese travelers either directly on our platform or through our search results. Our customers include Flight TSPs, airlines, independent hotels, OTAs, insurance service providers and others. With our SaaS system, we help to improve the operating efficiency of the travel industry in China. The access to travel product data on our SaaS system enhances the quality of our search results and attracts more users to our platform, thereby benefiting our customers.

For our users, we offer them an open platform for flight tickets and other travel products, which is integrated with third-party travel service providers along the distribution chain. We also operate a direct hotel network, which was one of the largest in China as of December 31, 2015, focused on all segments of the hotel industry. Our direct hotel network covered over 350,000 hotels at the end of 2015. We also offer a large selection of over 1,000,000 vacation packages from more than 7,000 suppliers, as of the end of 2015. By integrating this vast array of travel products into our platform, we are able to offer a comprehensive selection of relevant travel products and a convenient means to complete desired transactions to enhance user experience. Our ability to offer a wide array of products for each of our business lines and within each product category has helped us build a large and active user base and in turn successfully created a vibrant online travel community.

For the fiscal year ended December 31, 2015, our total revenue grew 137.4% year over year. Our revenues were RMB850.9 million, RMB1,756.8 million and RMB4,171.2 million (US$643.9 million) in 2013, 2014 and 2015, respectively. We recorded net losses attributable to Qunar Cayman Islands Limited's shareholders of RMB187.3 million, RMB1,846.9 million and RMB7,342.7 million (US$1,133.5 million) in 2013, 2014 and 2015, respectively. Excluding certain items such as contract termination loss provision resulted from a one-off event, and non-cash charges, including share-based compensation expenses, non-cash expenses relating to free user traffic contributed by Baidu and online marketing expenses incurred in connection with the Baidu Zhixin Cooperation whose impact we do not consider indicative of the performance of our business, our adjusted net losses were RMB117.7 million, RMB812.8 million and RMB2,092.2 million (US$323.0 million) and adjusted operating losses were RMB83.9 million, RMB810.7 million and RMB1,903.5 million (US$293.8 million) in 2013, 2014 and 2015, respectively.

Our Business Lines

Our main lines of business include flight tickets, hotels, vacation packages and attraction tickets. We also offer display advertising, train tickets, car services, tour guides and other services.

Our ability to offer travel products across multiple verticals and to satisfy users' strong preference to complete multiple transactions within a single mobile application is essential to our success and had enabled us to achieve user loyalty and stickiness, which in turn attracts more customers. The competitive take rates we charge our customers across these multiple verticals enable us to offer our users travel products with attractive prices.

Flight tickets

Leveraging our proprietary technologies and an open platform, we present our users who shop for flight tickets with comprehensive, accurate, and real-time schedule, pricing and availability information from a great number of Flight TSPs on one centralized, highly interactive user interface on our mobile application and website. Our proprietary flight platform makes the flight ticket information we display to the user more transparent, accurate and up-to-date. Once a user enters an itinerary, our search technology quickly displays price and availability information of matching flights based on information retrieved from GDS providers, various airlines and OTAs. Users can then click a particular result and either complete the flight ticket purchase transaction directly on our platform or be redirected to a Flight TSP's website for further actions.

Our system provides instant confirmation of booking, rescheduling and cancellation for a majority of our flight ticket transactions. We also offer unified payment processing, itinerary printing and other ancillary services to improve our user experience.

International flight tickets sales volume through our platform also grew significantly in 2015, with a year-over-year increase of around 100% in transaction volume. For the year of 2015, our total flight ticket volume (including both international and domestic flights) grew 45% compared to 2014.

Our total transportation ticket volume, which includes flight tickets, train and bus tickets and other ground transportation, increased by around 76% year-over-year in 2015.

Hotels

China's hotel industry is highly fragmented with over 400,000 hotels across China. Other than a few high-end hotel groups and budget hotel chains, the majority of China's mass market hotels as well as 4- and 5- star hotels are independently operated and managed. Many hotels had very limited or no online presence previously. The overall online penetration of China's hotel industry is still very low and overall hotel occupancy level is also low. To efficiently match the demand of Chinese travelers with the supply of hotels presents great challenges and great opportunities for us.

Hotel direct became the majority of our hotel business in terms of transaction volume and revenue in the fourth quarter of 2014. In our hotel direct program, we have direct commercial relationships with hotels and offer consumers hotel products as an online agent. We developed the infrastructure for our hotel direct business from scratch in 2014. With it, our hotel business has quickly evolved from a meta-search model into primarily a direct model in 2015. Given that most of China's hundreds of thousands of hotels are independent hotels previously not accessible online, we believe that the hotel direct model is the best way to bridge the needs between hotels and Chinese travelers. With our hotel direct program, many hotels that are previously offline were offered an opportunity to display and distribute their rooms through our mobile and web platform using a centralized and highly interactive user interface. Our mobile platform and SaaS system also enables hotel owners and managers to manage their hotel operation such as confirmation of availability and rescheduling anywhere and anytime via multiple verticals, such as over the phone and through websites, interactive voice response services, short messages or instant messaging services. With a highly efficient product sourcing team assisted by our proprietary CRM system, our direct hotel network now covers over 350,000 hotels as of the end of 2015, and the number continues to increase. Our hotel direct business covers a wide range of hotels from four- and five- star upscale hotels to mass-market hotels to family run and small boutique hotels. We have also entered into alliance agreements with about 40 global hotel chains as of the end of 2015 to further expand our services to cover high-end luxury hotels and the international market. Since the fourth quarter of 2014 and throughout the full year of 2015, we have also started to take limited inventory risk for hotel rooms to ensure supply for our users for certain popular destinations and during peak holiday seasons.

Our hotel platform also covers online hotel room distributors, wholesalers and global hotel OTAs. Our extensive hotel network allows users to review and compare price, availability and other information of hotels from such hotel service providers.

We offer different hotel products to consumers, including pay-upon-arrival, prepay, group-buying, last-minute sale, etc. Such diverse choices of hotel products offer our users the opportunity to find the best combination of service and price to satisfy their different travel needs and offer hotels better ways to manage the yields of their room night inventory. We also work with hotels to get guaranteed allotment to ensure the availability and timely confirmation of rooms to our users. Our ability to offer diverse hotel products helps us navigate hotel supply-demand seasonality and capture market share throughout the year. The number of hotel room nights stayed under guaranteed allotments increased from nil in 2013 to accounting for the majority of our total hotel room nights stayed as of the end of 2015 as a result of the expansion of our direct hotel network and our better monitor and management of the supply chain.

We publish reviews written by our users and contracted hotel expert reviewers to help consumers making transaction decisions and to foster an online travel community to further promote our services. With an average of over 4,000,000 reviews uploaded in each quarter of 2015, we believe we have one of the most comprehensive and up-to-date user reviews in the industry. With the vast majority of the reviews written by users who finished their stays recently and directly uploaded through their mobile devices, the high quality and timeliness of the reviews on our platform creates transparency and drives hotel-booking volume. As of December 31, 2015, our platform featured over 90,000 hotel expert reviews and over 24 million user generated reviews.

Going forward, we will continue to focus on adding more hotels to our network and more products for each hotel, continue to drive more transactions by delivering the best values to our users in the most efficient way. With savings generated from efficiency improvement and integration along the supply chain, and better customer services through our advanced technology, we intend to further drive the rapid expansion of our hotel business.

We also offered proprietary hotel property management system, or PMS, services to our hotel partners. Hotel operators can utilize our PMS to automate their business operations, including handling reservations, checking guests in and out, assigning rooms, managing room inventories, accommodating the needs of in-house guests, and handling accounting and billing. The total number of hotel room nights stayed that were reserved through our PMS services reached 15 million in 2015.

For the full year of 2015, our total hotel room nights stayed, excluding property management system volume, grew 102% compared to 2014.

Vacation packages and tourist attraction tickets

Our vacation package business enables users to find vacation packages offered by local tour agencies and OTAs. Users can search for vacation packages by destination or vacation theme. Once a destination or vacation theme is selected, users can easily refine their vacation package search results by various factors such as date, price range, vacation length, tour guide option, and special features. As part of our efforts to enhance user experience, we provide informative destination guides and travel tips along with the vacation package search results. As of December 31, 2015, our platform featured over one million vacation package products. Our outbound vacation business is also growing rapidly and around 43% of the vacation packages in terms of GMV completed on our platform in 2015 was for outbound trips.

We maintained our position as one of the leading players in the vacation package business in 2015, our second full year in this business line. Our total GMV in vacation packages and attraction tickets increased quickly and reached RMB4.3 billion in 2015. The large number of natural user traffic generated from our more mature flights and hotels business lines presented significant cross-selling opportunities that enabled us to achieve such rapid growth.

We announced an equity investment in Travelling Bestone, one of the largest offline B2B vacation packages distribution channels in China, in the first quarter of 2015. Travelling Bestone has over 3,000 franchise stores and points of sales across China. We believe our investment and business cooperation with Travelling Bestone will continue to offer us unique opportunities to further penetrate the offline package tour market in China.

For our tourist attraction ticket business, we launched a designated channel on our mobile and website platform in March 2013 to enable our users to make a variety of purchases for tourist attractions, including entrance tickets and tickets for recreational programs. Through this channel, we strive to provide a convenient, secure and inexpensive means for our users to access travel products at a large number of tourist attractions nationwide and globally.

Display advertising services

Our display advertising services consist of providing banner and other display advertisements on our platforms. Our display advertising customers include travel service providers as well as domestic and international non-travel-related brands hoping to reach the demographics reflected in our large user base. We exercise discretion in accepting display advertisers so that the displayed contents are compatible with the themes and functions of our platform. We implement advanced data mining of user demographics, search parameters and search history, so as to enable intelligent and efficient deployment of display advertisements.

Other business lines

We also offer our users certain other travel products, primarily train tickets, car services and tour guides. We source those travel products through joint efforts of our and our travel service providers' workforces.

Train tickets. We began offering train ticket search service in December 2011. Our users can locate and compare information for purchasing train tickets in a manner similar to searching for flight tickets. We provide added value to users searching for train tickets by presenting information that may be helpful to them, including flight tickets with the same departure and destination locations that are within the same price range as the train ticket, budget hotels near train stations, certain group-buying travel products available at both locations, as well as our proprietary route planning tool if there is no direct route between the starting and the destination stations.

Car services. We provide designated car services for pickup and drop off to and from airports, train stations and tourist attraction sites as well as other travel-related ground transportation services. As of December 31, 2015, our car service covered more than 360 cities in China.

Tour guides. We provide tour guides and guidebooks for our users, which help our users better plan their itineraries, make advanced preparations, enjoy their trips and share their travel experiences with others. Our tour guides also enable our users to browse on their mobile devices other users' itineraries as well as popular routes and attraction sites worldwide.

Our User Services

We provide our users with a comprehensive range of travel products and travel related information in order to deliver the best possible user experience. Our proprietary technologies help our users to search for and purchase travel products easily. We endeavor to provide reliable service at every stage of the transaction process.

When users search for travel products on our platforms, we provide a broad selection of relevant choices to match the individual's travel criteria and itinerary. To achieve this, each of our business lines is supported by real-time data from our large portfolio of travel service providers. The wide variety of our travel product offering also allows for cross-selling of different products to conveniently satisfy the individual needs of our users.

We strive to achieve pricing leadership in our industry and provide greater value to our users. By leveraging our technology we are able to automate our business and enhance efficiency. In addition, our recognized brand in the China travel industry and our large and growing volume of users has enabled us to source products from travel service providers at increasingly competitive prices. As we pass these savings on to our users, we are able to in turn attract even more users to our platform.

To ensure that our users are satisfied with the travel products they purchase from us and to improve our users' experience, we have implemented a number of initiatives to ensure quality and to provide reliable customer service. We have a rigorous screening process for selecting our travel service providers to ensure quality and reliability prior to offering their products to our users. We also conduct ongoing monitoring and review of all travel service providers through our user service center, which consists of a team of employees dedicated to addressing user complaints and questions on a 24/7 basis. Furthermore, our mobile platform enables our users to book, cancel or reschedule their travel itinerary anywhere and anytime, thereby providing users with greater control over their own transaction process.

"Users Comes First" is our guiding principle. We believe that all the measures we have adopted to enhance our users' experience has resulted in increasing user loyalty. This is demonstrated by our cohort analysis of our mobile users. Over time, we have observed that mobile users stay active on our platform for a long period of time and they have increasing rates of transactions the longer they stay on our platform. The following table shows the growth of our web users, active web users, mobile users, and active mobile users for the periods indicated.

	For the 12-Month Period Ended		
	December 31, 2013	December 31, 2014	December 31, 2015
	(in millions)		
Web users	234.2	282.4	171.8
Active web users	32.9	29.7	20.6
Mobile users	53.8	99.4	131.6
Active mobile users	25.2	42.2	69.6

The following table shows the retention ratio and transaction frequency for our mobile users based on annual cohort, which is the year in which such users first started to use our mobile platform. Retention ratio is the percentage of users that returned to transact on our mobile platform in subsequent periods after the initial acquisition of such user. Transaction frequency is the average annual number of transactions conducted by our mobile users in subsequent periods after the initial acquisition of such user.

	2013		2014		2015	
	Retention Ratio	Transaction Frequency	Retention Ratio	Transaction Frequency	Retention Ratio	Transaction Frequency
2012 cohort	49%	6.1	46%	10.9	45%	13.2
2013 cohort	—	—	51%	7.4	46%	9.5
2014 cohort	—	—	—	—	45%	7.4

Our Technologies

We are a technology-driven company. Our open platform and proprietary technologies and system provide real-time, comprehensive and accurate travel products information directly sourced from travel service providers, connect our users to travel resources in China in an efficient way, and enable us to readily scale our business while at the same time keep our cost and expense structure relatively fixed.

Our technologies facilitate user transactions and improve user experience. Our mobile platform enables our users to initiate and complete their travel purchase transactions anywhere and anytime. Our SaaS system hosts hundreds of thousands of independent hotels and other small travel service providers as well as established travel service providers which are willing to, despite having their own online presence, host their products and service offerings on our SaaS system. Our information aggregation, search and extraction capabilities are at the core of our technological competence. Our software engineers, product managers and industry experts collaborate closely to drive our technology and product developments. We strive to provide a one-stop transaction and service platform for every Chinese traveler and to provide the technology backbone for the entire travel industry in China.

Our Mobile Platform

Our robust mobile platform enables us to drive transactions volume, service our users and our customers and build an online travel community, while effectively managing our own product sourcing efforts with our proprietary mobile CRM system. We offer a wide variety of travel products encompassing flight tickets, hotels, vacation packages and attraction tickets as our main business lines, and within each product category, a broad range of selections. The comprehensive portfolio of travel product choices and significant amount information on our centralized mobile platform allow for effective cross-selling. In addition, the unique identifying characteristics of mobile devices and mobile applications, assisted by our proprietary technologies, allow for personalization of services on our mobile platform.

Mobile has become increasingly important for our business and the numbers of our mobile users and transactions performed on our mobile platform have been rapidly increasing. We started to monetize our mobile platform in June 2012 and attracted 131.6 million mobile users in 2015. Our active mobile users have also grown rapidly from 42.2 million in 2014 to 69.6 million in 2015. Qunar Travel, our proprietary mobile application for smartphones and tablets with iOS, Android and Windows Phone operating systems, powers services across all our business lines.

We continue to improve the location-based and personalized product and services offerings on Qunar Travel, such as personalized product ranking based on user's search and transaction history, push of personalized coupons and promotions, and have optimized many other features to make our mobile user experiences better within the bandwidth constraints and hardware limitations of mobile devices. For example, we believe that price is the preferred sorting criterion for most of our users, and by setting price as the default ranking criterion for search results on Qunar Travel, we save data usage for most of our users. We also reduce picture sizes, compress other data and cache data for more effective transmission to mobile devices.

Mobile has become a critical factor driving our sustained and rapid growth. In the full year of 2015, our mobile platform accounted for 71% of our total revenue, an increase of 316% on a year-on-year basis. We are one of the few companies in the China Internet space that have been able to monetize the mobile platform well. In terms of transaction volume, our mobile platform accounted for 54% of total flight tickets and 88% of total hotel room nights stayed for the fourth quarter of 2015.

SaaS

Airlines, OTAs and major hotel brands usually have their own online presence, from which we directly retrieve information. Most of our other travel service providers, such as independent hotels, local travel agencies and tourist attractions, tend to have limited or no online presence of their own. Our SaaS system enables these travel service providers to set up a functional mobile and online reservation system and improve their services based on our standards. By doing so, we strive to provide a centralized, standardized and popular mobile and online commerce platform for our travel service providers to connect with our large user base through a unified user interface. We also provide a series of illustrative online training programs and centralized technical support to travel service providers who use our SaaS system. We provide our SaaS system and related services only to travel service providers who use our services and we do not charge for our SaaS system and the related services. As of December 31, 2015, we had over 360,000 travel service providers on our SaaS system, among which approximately 350,000 were direct-signed hotels.

We decided to develop our SaaS system in 2010 in anticipation of the industry shift from web to mobile. From an user experience standpoint, it is burdensome for a mobile application user to be redirected out of the mobile application to a travel service provider's separate mobile application or mobile site in order to complete a transaction. With the SaaS system that helps users to complete the entire transaction on our platform, we were able to significantly improve user experience as well as transaction efficiency. Our SaaS system made possible our successful transition from web to mobile.

Our proprietary and highly scalable SaaS system uses distributed software and high-performance parallel computing technologies to support our operations and future expansion. For the thousands of travel service providers on our SaaS system, we optimize their usage of bandwidth and computing capacities, thereby enabling them to deliver consistent, quality services to users. We apply various data compression, storage and retrieval technologies in order to optimize the performance of our SaaS system. We use the most modern technology available to constantly monitor and improve the performance of our SaaS system.

Our current SaaS system covers all products and services offered on our mobile platform and has become increasingly dominant in the provision of services to our users. As a result, the vast majority of transactions are completed on our own SaaS platform, rather than by directing the users to our customers' websites. SaaS system allows us to monitor the entire transaction process and enable better integration of various information from the travel industry supply chain, thus making the entire China travel value chain more efficient. By using our SaaS system, we are able to set our cost-per-click and cost-per-sale pricing based on the information collected from transactions completed on our SaaS system so as to enable our customers to evaluate effectiveness of marketing channels. In the meantime, more accurate data collection and transaction estimation are made possible through our SaaS system.

Search technologies

Real-Time, Massive Data Search. Our search capabilities are the core of our competitive advantage. We strive to ensure the accuracy, relevance and comprehensiveness of our search results as well as the speedy delivery of information to users. Our technology fulfills the challenging task of searching, retrieving, filtering and prioritizing massive amounts of real-time information stored on tens of thousands of databases and websites, and instantly presenting it to our users in one simple, clean and intuitive interface. In 2015, we processed approximately 5.92 billion web and mobile search queries for flight tickets and hotels. Our real-time, massive data search implements the following advanced technologies:

- *Data caching and indexing*. We extract targeted data from other websites through either data feeds or direct scraping of web contents. Our search capabilities include complex data caching and machine-learning technologies. We maintain a data pool of billions of price data points on flight tickets, hotels and other travel products. Each datum in the data pool bears a time stamp. When a user sends a search query, our search engine compares the query with information in the data pool to locate the relevant pricing and availability data. Once matching data are located, our system checks the time stamp to see whether each datum is up-to-date. All of these confirmations happen simultaneously. We apply an intelligent and dynamic "shelf life" analytic algorithm for different data based on various factors such as data source, flight or hotel specifics and booking lead time. This intelligent and dynamic "shelf life" analytic algorithm is based on our constant optimization of data accuracy and search efficiency resulting from billions of search queries. If we decide a datum is not up-to-date, our data extracting software re-extracts the datum from the source immediately to refresh it.

- *Dynamic data display*. Our result-ranking engine, subject to our default ranking policy which prioritizes service quality and price competitiveness, presents the most up-to-date data to the user first, followed by the refreshed data.

- *Data accuracy check*. When a user clicks on a desired search result, we direct the user's click to the web page that supplies the travel product information shown in our search result. In the meantime, our accuracy monitoring software extracts fresh data from that web page again, and compares it against our data pool to check whether the earlier data are still accurate after the lapse of time between the result display and the user's actual visit to the source website of the data. This double-verification function also enables our accuracy software to evaluate whether our data's "shelf life" is set up appropriately. This type of automatic monitoring constantly optimizes our data accuracy.

Product developments

We have an experienced team of over 2,700 engineers and product managers in our product development department as of December 31, 2015, among which a significant portion were dedicated to the development of our mobile technologies and our hotel direct program. Our product development team is centralized in our corporate headquarters in Beijing.

Product sourcing

We have a dedicated product sourcing team of around 3,000 employees in our destinations business unit as of December 31, 2015, among which a vast majority are dedicated to hotel sourcing for our hotel direct business. Our product sourcing team personnel is located across China.

Sales and marketing

We engage in online and offline marketing. We host online and offline marketing campaigns to increase our user traffics. We participate in auction-based online P4P services offered by major search engines to acquire user traffic. We also have dedicated resources in mobile marketing campaigns to increase downloads and activation of our mobile applications including participation in a mobile app store, pre-installation agreements with mobile manufacturers and other promotions through our own mobile applications. We also believe that our user base has grown through "word-of-mouth" recommendations by users who have enjoyed our quality products and services. We continuously improve our user experience as we believe that recommendations by satisfied users make the most effective and cost-efficient marketing.

As mobile continues to play a more important role in our business, we have been increasing our marketing expenditure on mobile platforms and started reducing traditional PC search engine marketing (SEM) expenditure. We plan to continue to invest more in mobile channels as mobile becomes our main growth driver. In addition, our technological capability allows us to closely monitor our return on investment, for each of the marketing channels as we continue to add new users and scale our business, especially for our mobile platform.

We launched an offline campaign starting from the second quarter of 2015 to further expand our mobile user base through offline channels. We marketed and promoted Qunar's mobile services in major travel destinations where we can find large number of offline travel service users, including hotel lobbies, attraction sites and ground transportation portals. We hired temporary employees and interns in 2015 to carry out the campaign. We have also applied a return-on-investment analysis to measure the effectiveness and to control the size of our offline program.

Through this campaign, we have attracted millions of previously offline users who have not used our mobile service before. The large number of new mobile users that we added in 2015 was a result of both our online and offline efforts.

We also book under sales and marketing expenses the headcount related expenses of our operational staff, including employees for our call center, photographers and editors. As of December 31, 2015, total headcount for these staff, which are located in different offices nationwide, was approximately 2,400.

Competition

The online travel industry in China is new, rapidly evolving and highly competitive. We compete to attract users to our mobile applications and websites. We also compete to attract travel service providers to participate in our services and enter into other online marketing agreements with us. Due to our unique business model as a travel commerce platform, we maintain a cooperative-competitive relationship with some of our competitors, as they are also our travel service providers or even customers. As we entered into the hotel direct business, local tours, hotel group-buying, attraction tickets, car and other transportation services, we also compete with hotel OTAs nationwide as well as other local service providers. Please see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Competition could adversely affect us" for more details.

Competition for Users

We compete for user traffic with hotels, airlines, OTAs, general search engines and other travel information websites. Our major competitors include major travel OTAs in China and e-commerce platforms. In addition, we also compete for user traffic with airlines, hotels, OTAs, local service providers and other travel service providers as they are increasingly focusing on attracting users directly to their own platforms.

Competition with and for OTAs

As we entered into the hotel direct and other businesses, we began directly competing with OTAs in developing commercial relationships with hotels, and in offering consumers hotel products directly. On the other hand, OTAs are our customers, we also compete for them to become our customers.

Competition for Mobile Marketing and Promotional Channels

On mobile, we compete with all major players in different travel industry verticals and other e-commerce platforms for application store placement, pre-installation and application downloads.

Intellectual Property

We rely on a combination of patent, trademark, copyright and trade secret protection laws in the PRC and other jurisdictions, as well as confidentiality procedures and contractual provisions with our employees and other parties, to protect our intellectual property and our brand. As of March 31, 2016, we have 145 registered trademarks in the PRC and overseas, including "Qunar," "去哪儿" "Qunar.com and camel image," and "Qunar.com 去哪儿 and camel image." We have 64 software copyright registrations, three logo copyright registrations in the PRC, and 82 domain names including qunar.com as of March 31, 2016. We have also applied for 117 patents and have been granted 18.

Government Regulations

Regulations on Value-Added Telecommunications Services

On September 25, 2000, the State Council promulgated the Telecommunications Regulations, or the Telecom Regulations, which draw a distinction between "basic telecommunication services" and "value-added telecommunication services." The Telecommunications Regulations were subsequently revised on July 29, 2014. Pursuant to the Telecom Regulations, commercial operators of value-added telecommunications services must first obtain an operating license from MIIT or its provincial-level counterparts. On December 25, 2015, MIIT published the Classification Catalogue of Telecommunications Services, or the 2015 Catalogue. Under the 2015 Catalogue, which became effective on March 1, 2016, "value-added telecommunication services" is further classified into two sub-categories and ten items. Internet content provision services, or ICP services, is under the second subcategory of value-added telecommunications services, and therefore must satisfy the requirement of obtaining an operating license from MIIT or its provincial-level counterparts.

On September 25, 2000, the State Council issued the Administrative Measures on Internet Information Services, or the Internet Measures, which, in particular, regulate ICP services. According to the Internet Measures, commercial ICP service operators must obtain an ICP license from the relevant government authorities before engaging in any commercial ICP operations within the PRC. In November 2000, the MIIT promulgated the Administrative Measures on Internet Electronic Messaging Services, or the BBS Measures, which require the operator to obtain a special BBS Permit from the local bureau of MIIT prior to engaging in BBS services. BBS services include electronic bulletin boards, electronic forums, message boards and chat rooms. On September 23, 2014, the BBS Measures were repealed by a decision of MIIT, and therefore the operator is currently not required to obtain such special BBS permit for operating BBS services.

On December 26, 2001, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating Licenses, or the Telecom License Measures. On March 5, 2009, the MIIT issued an amendment of the Telecom License Measures, which took effect on April 10, 2009. The Telecom License Measures set forth the types of licenses required to operate value-added telecommunications services and the qualifications and procedures for obtaining such licenses. For example, an information services operator providing value-added services in multiple provinces is required to obtain an inter-regional license, whereas an information services operator providing the same services in one province is required to obtain a local license.

To comply with these PRC laws and regulations, our VIE holds ICP licenses issued by the Beijing Telecommunications Administration. Moreover, our VIE also possesses an inter-regional Value-Added Telecommunications Services Operating License for provision of value-added telecommunication services nationwide.

Restrictions on Foreign Ownership in Value-Added Telecommunications Services

According to the Provisions on Administration of Foreign Invested Telecommunications Enterprises promulgated by the State Council on December 11, 2001 and amended on September 10, 2008, the total foreign equity ownership in a value-added telecommunications service provider must not exceed 50%. Moreover, for a foreign investor to acquire any equity interest in a value-added telecommunications business in China, it must demonstrate a good track record and experience in operating value-added telecommunications services. Foreign investors that meet these requirements must obtain approvals from the MIIT and the MOFCOM or their authorized local branches, and the relevant approval application process usually takes six to nine months. Due to the limitation of foreign investment in value-added telecommunications services companies that provide internet information services, we would be prohibited from acquiring any equity interest in our VIE without diverting management attention and resources. In addition, we believe that our contractual arrangements with our VIE and its individual shareholders provide us with sufficient and effective control over our VIE. Accordingly, we currently do not plan to acquire any equity interest in our VIE.

On July 13, 2006, the MIIT issued the Notice of the MIIT on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services, or the MIIT Notice. The MIIT Notice prohibits domestic telecommunications service providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. According to the MIIT Notice, either the holder of a value-added telecommunications business operating license or its shareholders must legally own the domain names and trademarks used by such license holders in their provision of value-added telecommunications services. The MIIT Notice further requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain such facilities in the regions covered by its license. In addition, all value-added telecommunications service providers are required to maintain network and Internet security in accordance with the standards set forth in the relevant PRC regulations. If a license holder fails to comply with the requirements in the MIIT Notice and cure such non-compliance, the MIIT or its local counterparts have the discretion to take measures against such license holders, including revoking their value-added telecommunications business operating licenses.

To comply with these PRC regulations, we operate our mobile application and websites through our VIE. Our VIE is currently 100% owned by two individuals, both of whom are PRC citizens. Our VIE holds an ICP license, a BBS Permit and an inter-regional Value-Added Telecommunications Services Operating License for provision of value-added telecommunication services nationwide. Our VIE owns the domain name and trademarks related to its operations and the website (qunar.com).

If, despite these precautions, the PRC government determines that we do not comply with applicable laws and regulations, it can revoke our business and operating licenses; require us to discontinue or restrict our operations, restrict our right to collect revenues; block our websites; require us to restructure our operations, including possibly the establishment or restructuring of a foreign-invested telecommunications enterprise, re-application for the necessary licenses, or relocation of our businesses, staff and assets; impose additional conditions or requirements with which we may not be able to comply; or take other regulatory or enforcement actions against us. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC governmental restrictions on foreign investment in internet and other related businesses, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.”

Regulations on Internet Content Services

National security considerations are an important factor in the regulation of Internet content in China. The National People's Congress, the PRC's national legislature, has enacted laws with respect to maintaining the security of Internet operations and internet content. According to these laws, as well as the Internet Measures, violators may be subject to penalties, including criminal sanctions, for Internet content that:

- opposes the fundamental principles stated in the PRC Constitution;
- compromises national security, divulges state secrets, subverts state power or damages national unity;
- harms the dignity or interests of the state;
- incites ethnic hatred or racial discrimination or damages inter-ethnic unity;
- undermines the PRC's religious policy or propagates heretical teachings or feudal superstitions;
- disseminates rumors, disturbs social order or disrupts social stability;
- disseminates obscenity or pornography, encourages gambling, violence, murder or fear or incites the commission of a crime;
- insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or
- is otherwise prohibited by law or administrative regulations.

ICP service operators are required to monitor their websites. They may not post or disseminate any content that falls within these prohibited categories and must remove any such content from their websites. The PRC government may shut down the websites of ICP license holders that violate any of the above-mentioned content restrictions, order them to suspend their operations, or revoke their ICP licenses.

On February 4, 2015, the State Internet Information Office, a governmental agency authorized by the State Council to administer the content of internet information, promulgated the Administrative Provisions on Account Names of Internet Users, or the Account Names Provisions, which became effective as of March 1, 2015. The Account Name Provisions require internet service providers to authenticate registered users' identity information and to commit to complying with the "seven basic requirements," including observing the laws and regulations, upholding the socialist regime, protecting state interests and so on, as well as ensuring the authenticity of any information they provide. Relevant internet information service providers are responsible for the protection of users' privacy, the consistency between user information such as account names and avatars and the requirements contemplated in the Account Names Provisions, making reports to the competent authorities regarding any violation of the Account Names Provisions and taking appropriate measures to stop any such violations, such as notifying the user to make corrections within a specified time and suspending or closing accounts in the event of continue non-compliance.

To comply with these PRC laws and regulations, we have adopted internal procedures to monitor content displayed on our platforms, including a team of employees dedicated to screening and monitoring content uploaded on our platforms and removing inappropriate or infringing content.

To the extent that PRC regulatory authorities find any content displayed on or through our platforms objectionable, they may require us to limit or eliminate the dissemination or availability of such content on our platforms s or impose penalties, including the revocation of our operating licenses or the suspension or shutdown of our online operations. In addition, the costs of compliance with these regulations may increase as the volume of content and number of users on our platforms increases. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for information displayed on or linked to our platforms."

Regulations on Information Security

Internet content in China is also regulated and restricted from a State security point of view. On December 28, 2000, the Standing Committee of the National People's Congress enacted a Decision Regarding the Safeguarding of Internet Security, as amended on August 27, 2009, that makes it unlawful to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights.

On December 16, 1997, the Ministry of Public Security promulgated the Administrative Measures for the Security Protection of International Connections to Computer Information Network, prohibiting the use of the Internet in ways that, among other things, result in a leakage of state secrets or the distribution of socially destabilizing content. Socially destabilizing content includes any content that incites defiance or violations of PRC laws or regulations or subversion of the PRC government or its political system, spreads socially-disruptive rumors or involves cult activities, superstition, obscenities, pornography, gambling or violence. State secrets are defined broadly to include information concerning PRC's national defense affairs, state affairs and other matters as determined by the PRC authorities.

On December 13, 2005, the Ministry of Public Security promulgated Provisions on Technological Measures for Internet Security Protection, or the Internet Protection Measures. The Internet Protection Measures require all ICP operators to keep records of certain information about their users (including user registration information, log-in and log-out times, IP addresses, content and time of posts by users) for at least 60 days and to submit the above information as required by laws and regulations. The ICP operators must regularly update information security systems for their websites with local public security authorities, and must also report any instances of public dissemination of prohibited content. If an ICP operator violates these measures, the PRC government may revoke its ICP license and shut down its websites.

In addition, the State Secrecy Bureau has issued provisions authorizing the blocking of access to any website it deems to be leaking state secrets or failing to comply with the relevant legislation regarding the protection of state secrets.

Because our VIE is an ICP operator, it is subject to laws and regulations relating to information security. To comply with these laws and regulations, our VIE has completed the mandatory security filing procedures with local public security authorities. We regularly update our information security and content-filtering systems based on any newly-issued content restrictions and maintain records of user information as required by relevant laws and regulations. We have also taken measures to delete or remove links to content that, to our knowledge, contains information that violates PRC laws and regulations.

If, despite the precautions, we fail to identify and prevent illegal or inappropriate content from being displayed on or through our platforms, we may be subject to liability. In addition, these laws and regulations are subject to interpretation by the relevant authorities and it may not be possible to determine in all cases what content could result in liability. To the extent that PRC regulatory authorities find any content displayed on or through our platforms objectionable, they may require us to limit or eliminate the dissemination or availability of such content or impose penalties, including the revocation of our operating licenses or the suspension or shutdown of our online operations. In addition, the costs of compliance with these regulations may increase as the volume of content and users on our platforms increase. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for information displayed on or linked to our platforms."

Regulations on Internet Privacy

The PRC Constitution states that PRC law protects the freedom and privacy of communications of citizens and prohibits infringement of such rights. In recent years, PRC government authorities have enacted legislation on internet use to protect personal information from any unauthorized disclosure. The PRC law does not prohibit ICP operators from collecting and analyzing personal information from their users. However, the Internet Measures prohibit an ICP operator from insulting or slandering a third party or infringing the lawful rights and interests of a third party. On December 29, 2011, the MIIT promulgated the Several Provisions on Regulating the Market Order of Internet Information Services, effective as of March 15, 2012. With regard to users' personal data, it stipulates that ICP operators must not, without user consent, collect user information that can be used alone or in combination with other information to identify the user, or User Personal Information, and may not provide any such information to third parties without prior user consent. ICP operators may only collect User Personal Information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such User Personal Information. In addition, an ICP operator may only use such User Personal Information for the stated purposes under the ICP operator's scope of service. ICP operators are also required to ensure the proper security of User Personal Information and to take immediate remedial measures if User Personal Information is suspected to have been disclosed. If the consequences of any such disclosure are expected to be serious, ICP operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

On December 28, 2012, the Standing Committee of the National People's Congress of the PRC issued the Decision on Strengthening the Protection of Online Information, or the Decision. Most requirements under the Decision that are relevant to ICP operators are consistent with the requirements already established under the MIIT Provisions, as discussed above, though often more strict and broad. Under the Decision, if an ICP operator wishes to collect or use personal electronic information, it must do so in a legal and appropriate manner and may do so only if it is necessary for the services it provides. It must disclose the purpose, method and scope of any such collection or use and must seek consent from the relevant individuals. ICP operators are also required to publish their policies relating to information collection and use, to keep such information strictly confidential and to take technological and other measures to ensure the safety of such information. ICP operators are further prohibited from divulging, distorting or destroying any such personal electronic information or selling or providing such information to other parties. The Decision also requires that ICP operators providing information publishing services must collect from users their personal identification information, for registration. In very broad terms, the Decision provides that violators may face warnings, fines, confiscation of illegal gains, license revocations, filing cancellations and website closures.

On July 16, 2013, MIIT issued the Order for the Protection of Telecommunication and Internet User Personal Information, or the Order. Most requirements under the Order that are relevant to ICP operators are consistent with the requirements already established under the MIIT provisions as discussed above. Under the Order, these requirements are often more strict and have a wider scope. If an ICP operator wishes to collect or use personal information, it may do so only if such collection is necessary for the services it provides. Further, it must disclose to its users the purpose, method and scope of any such collection or use and must obtain consent from its users whose information is being collected or used. ICP operators are also required to establish and publish their rules relating to personal information collection or use, keep any collected information strictly confidential and take technological and other measures to maintain the security of such information. ICP operators are required to cease any collection or use of the user's personal information and de-register the relevant user account when a given user stops using the relevant internet service. ICP operators are further prohibited from divulging, distorting or destroying any such personal information, or selling or providing such information unlawfully to other parties. In addition, if an ICP operator appoints an agent to undertake any marketing and technical services that involve the collection or use of personal information, the ICP operator is still required to supervise and manage the protection of the information. As to penalties, in very broad terms, the Order states that violators may face warnings, fines, disclosure to the public and, in the most severe cases, criminal liability.

To comply with these laws and regulations, we require our users to accept terms of services under which they agree to provide certain personal information to us, to have established information security systems protect user privacy and to have such information filed with the MIIT or its local branch as required. If our ICP operators violate PRC laws in this regard, the MIIT or its local bureaus may impose penalties and the ICP operators may be liable for damages caused to their users. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Failure to protect confidential information of our users and network against security breaches could damage our reputation and substantially harm our business and results of operations."

Regulations on Air-ticketing

The air-ticketing business is subject to the supervision of the China Aviation Transportation Association, or CATA, and its regional branches. Currently the principal regulations governing air-ticketing agencies in China are the Rules on Certification of Qualification for Civil Aviation Transport Sales Agencies (2006), issued by the CATA, which became effective on March 31, 2006 and revised on April 15, 2015. Under these rules, any company acting as an air-ticketing sale agency must obtain approval from the CATA. In addition, CATA issued the Supplementary Rules Regarding Sales via the Internet in 2008. These Supplementary Rules provide that, effective as of June 1, 2008, if an air-ticketing sales agency would like to engage in sales via the Internet, it must obtain an ICP license from the local counterpart of the MIIT and must complete a commercial website registration with the AIC. On April 15, 2015, the CATA issued Measures for the Supervision and Administration of Civil Aviation Transport Sales Agency Enterprises (for Trial Implementation), effective as of April 15, 2015. These measures set forth principles and rules, supervision mechanisms and applicable punitive measures for civil aviation transport sales agency enterprises. On April 15, 2015, the CATA issued the Administrative Rules on Air Ticket Online Sales (for Trial Implementation), or the Online Sales Rules, effective as of April 15, 2015. The Online Sales Rules require an air-ticketing online sales agency to conduct filings with the CATA; agencies already engaged in the online sales businesses shall conduct filings with the CATA within one month from the Online Sales Rules taking effect.

We rely on Flight TSPs to provide travel products and services to our users. Although we request that Flight TSPs provide their licenses or permits to us before entering into agreements with them, we cannot ensure that every Flight TSP that is engaged in the air ticketing sales agency service obtained, and maintained, all necessary permits, or that it has conducted filings with the CATA as required. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to adequately monitor or ensure the service quality of our travel service providers and increases in user dissatisfaction with our travel service providers could materially and adversely affect our results of operations."

Regulations on Hotel Operation

In November 1987, the Ministry of Public Security issued the Measures for the Control of Security in the Hotel Industry, and in June 2004, the State Council promulgated the Decision of the State Council on Establishing Administrative License for the Administrative Examination and Approval Items Really Necessary to Be Retained. Under these two regulations, anyone who applies to operate a hotel is subject to examination and approval by the local public security authority and must obtain a special industry license. The Measures for the Control of Security in the Hotel Industry impose certain security control obligations on the operators. For example, the hotel must examine the identification card of any guest to whom accommodation is provided and make an accurate registration. The hotel must also report to the local public security authority if it discovers anyone violating the law or behaving suspiciously, or an offender wanted by the public security authority.

In April 1987, the State Council promulgated the Public Area Hygiene Administration Regulation, which requires hotels to obtain a public area hygiene license before opening for business. In March 2011, the Ministry of Health promulgated the Implementation Rules of the Public Area Hygiene Administration Regulation which, starting from May 1, 2011, require hotel operators to establish a hygiene administration system and keep records of hygiene administration. In February 2009, the Standing Committee of the National People's Congress, or the SCNPC, enacted the PRC Law on Food Safety, which requires any hotel that provides food to obtain a food service license; any food hygiene license which had been obtained prior to June 1, 2009 will be replaced by the food service license once the food hygiene license expires.

The Fire Prevention Law, as amended by the SCNPC in October 2008, and the Provisions on Supervision and Inspection on Fire Prevention and Control, promulgated by the Ministry of Public Security and effective as of May 1, 2009, as amended on July 7, 17 2012 and effective on November 1, 2012, require that public gathering places such as hotels submit a fire prevention design plan in order to apply for completion acceptance of fire prevention facilities for their construction projects and to pass a fire prevention safety inspection by the local public security fire department, which is a prerequisite for opening business.

In January 2006, the State Council promulgated the Regulations for Administration of Entertainment Places. In March 2006, the Ministry of Culture issued the Circular on Carrying Out the Regulations for Administration of Entertainment Places. Under these regulations, hotels that provide entertainment facilities, such as discos or ballrooms, are required to obtain a license for entertainment business operations.

We request each hotel to provide its relevant permits and licenses before providing our service. However, we cannot ensure that all hotels available on our platforms have obtained, and maintained, all necessary permits and licenses. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to adequately monitor or ensure the service quality of our travel service providers and increases in user dissatisfaction with our travel service providers could materially and adversely affect our results of operations."

Regulations on Sideline Insurance Agency

Under PRC law, insurance agency activities are categorized as either a "major business" or a "sideline business," both of which are subject to the supervision of the China Insurance Regulatory Commission, or CIRC. According to the Provisional Measures on the Administration of Sideline Insurance Agencies, issued by the CIRC on August 4, 2000, an entity acting as a sideline insurance agency must apply for a Sideline Insurance Agency License with the CIRC. As revised by a decision issued by the State Council in 2004, an entity acting as a sideline insurance agency must apply for a Sideline Insurance Agency License with the competent local counterparts of the CIRC. To comply with these measures, our VIE has obtained such a license.

On September 20, 2011, the CIRC promulgated the Provisional Measures for the Supervision and Management of Insurance Agency Business via the Internet, which requires an insurance agency that conducts business via the Internet to meet certain criteria related mainly to registered capital thresholds and the possession of a value-added telecommunications business related permit, and to complete the filing with the CIRC.

On May 16, 2012, the CIRC promulgated an Announcement on Risk Alert for the Internet Insurance Business, which states that no entities or individuals other than insurance providers, insurance agency companies and insurance brokerage companies are allowed to carry out internet insurance businesses without approval, including comparing and recommending insurance products on internet websites or providing other intermediary services for conclusion of insurance contracts. The CIRC has disclosed information relating to the operation of internet insurance business by insurance agencies and insurance brokerage companies on its official website.

According to the announcement, insurance regulatory departments will investigate and punish entities or individuals who carry out internet insurance businesses illegally in a severe and timely fashion.

Our VIE has obtained the Sideline Insurance Agency License. We have not filed with the CIRC in accordance with the CIRC rules. If any official interpretation as to the applicability of the CIRC rules to a sideline insurance agency like us is issued, we will attend to such filing with the CIRC. Failure to do so could subject us to penalties imposed by the CIRC, including fines and revocation of our VIE's Sideline Insurance Agency License. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC — We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet and other related businesses."

Regulations on Insurance Brokers

The PRC Insurance Law, which provided the initial framework for regulating the PRC insurance industry, including the licensing of insurance brokers, was enacted in 1995 and amended on October 28, 2002, February 28, 2009, April 31, 2014 and April 24, 2015. The Provisions on the Supervision and Administration of Insurance Brokers, promulgated by the CIRC on September 25, 2009 amended on April 27, 2013 and October 19, 2015, provide detailed requirements for the licensing and operation of insurance brokers, including that an insurance broker must satisfy several requirements and obtain approval from the CIRC in order to be established. Among these requirements, insurance brokers must take the form of a limited liability company or limited stockholding company. The minimum registered capital of an insurance broker is RMB50 million. Further, there are specific requirements for the chairman of the board, executive directors and senior management personnel of insurance brokers, including that they are qualified to take the position and have no track record of certain listed violations. An insurance brokerage operation license remains valid for three years after issuance and a renewal application must be submitted to the CIRC at least 30 days prior to the expiry date. The operation of an insurance brokerage company must follow the requirements of the Insurance Law and the Provisions on the Supervision and Administration of Insurance Brokers, including that the license itself be displayed prominently that the broker operate within its licensed insurance business scope, and it keep complete and standard business records and separate account books for the insurance brokerage, among others.

Our VIE's wholly owned subsidiary, Shenzhen ZhongChengTai Insurance Brokerage Co., Ltd. was approved by the CIRC as an insurance brokerage company and obtained an insurance brokerage operation license on August 29, 2013.

Regulations on Travel Agency

The travel agency industry is subject to the supervision of the China National Tourism Administration, or CNTA, and local tourism administrations. The principal regulations governing travel agencies in China include: (i) the Regulation on Travel Agencies, or the Travel Agency Regulations, issued by the State Council in February 2009 and amended in January 2016, replacing the Administration of Travel Agencies Regulations (1996), and (ii) the Implementing Rules for the Regulation on Travel Agencies (the "Travel Agency Implementing Rules"), promulgated by the CNTA in April 2009, which became effective as of May 3, 2009. Under these regulations, a travel agency must obtain a license from the CNTA to conduct cross-border travel business and a license from the provincial-level tourism administration to conduct domestic travel agency business.

The Travel Agency Regulations permit foreign investors to establish wholly foreign-owned travel agencies as well as joint ventures and cooperative travel agencies. Foreign-owned travel agencies are allowed to open branches nationwide, but are restricted from engaging in outbound tourism business in China unless otherwise determined by the State Council or provided under a bilateral free trade agreement between the country and China or under the closer economic partnership agreements among China, Hong Kong and Macau. The Travel Agency Implementing Rules define certain terms used in the Travel Agency Regulations (e.g., "domestic tourism business," "inbound tourism business" and "outbound tourism business"), and set out detailed application requirements to establish a travel agency. The Travel Agency Implementing Rules also clarify certain aspects of legal liability for travel agencies as prescribed in the Travel Agency Regulations.

In 2010, CNTA released the Measures for Dealing with Tourism Complaints, which took effect as of July 1, 2010. Under these Measures, authorities that are responsible for dealing with tourist complaints shall render a decision on the complaints within 60 days after the date of receipt thereof.

On April 25, 2013, the Standing Committee of the National People's Congress of the PRC issued the Tourism Law of the PRC, or the Tourism Law, which took effect on October 1, 2013. The Tourism Law sets forth specific requirements for the operation of travel agencies, among which: travel agencies are prohibited from leasing, lending or illegally transferring travel agency operation licenses; the information published by travel agencies to attract and organize customers must be true and accurate and travel agencies must not conduct any false publicity to mislead customers; travel agencies are not allowed to arrange visits to or participation in any project or activity in violation of the laws and regulations of the PRC or social morality; travel agencies are prohibited from organizing tourism activities at unreasonably low prices to induce or cheat tourists, and obtaining unlawful profits such as kickbacks by shopping arrangements or tour items paid separately; travel agencies are prohibited from specifying shopping venues or arranging tour items paid separately when organizing and receiving tourists, except for those negotiated by the parties or demanded by the customers, which in any event should not affect the itineraries of other customers; travel agencies shall conclude contracts with customers for tourism activities; and, before the start of the itinerary, customers may transfer their personal rights and obligations in the package tour contract to any third person, which the travel agency shall not refuse without justifiable reasons, and any increased fees shall be borne by the customer and relevant third persons.

Travel agencies may be subject to civil liabilities for failing to fulfill the obligations discussed above. These liabilities include rectification, issuance of a warning, confiscation of any illegal income, imposition of a fine, an order to cease business operation or revocation of its travel agency permit. In addition, if a travel agency arranges shopping venues in violation of the Tourism Law, customers have the right, within 30 days after the end of the itinerary, to demand that the travel agencies handle the return of any purchased goods and make advance payment for the returned goods, or return the fees for any tour items paid separately.

Certain subsidiaries of our VIE have been approved by the CNTA as travel agencies, and have obtained travel agency operation licenses.

For certain of our business lines, we rely on travel service providers to provide travel products and services to our users. Although we take measures, such as requesting travel service providers to provide their relevant permits and/or licenses and establishing a user service center to deal with users' complaints, we cannot make sure that all the travel service providers that are reachable through our platforms obtained and maintained all necessary permits. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to adequately monitor or ensure the service quality of our travel service providers and increases in user dissatisfaction with the travel service providers could materially and adversely affect our results of operations."

Regulations on Car Services

Pursuant to the Road Traffic Safety Law promulgated by the Nation People's Congress Standing Committee in October 2003 and amended in 2007 and 2011, or the Road Traffic Safety Law, all automotive vehicles must be registered with relevant local administration authorities. Vehicle registration certificates, vehicle license plates and vehicle licenses must be obtained from the same authorities, and compulsory traffic accident insurance must be purchased for each vehicle.

The Ministry of Transport, and the National Planning Committee, the predecessor of the NDRC, promulgated the Interim Rules on the Administration of the Car Rental Industry in 1998, which were abolished in 2007. Since then, there have been no national laws or regulations in place to specifically regulate the car rental industry in China. The Ministry of Transport promulgated the Circular on Promoting the Healthy Development of the Car Rental Industry in April 2011, or the Car Rental Circular, which sets forth guidelines for the car rental industry. The Car Rental Circular requires local government authorities, among other things, to 1) promulgate local rules and regulations to improve and develop the regulatory environment for car rentals, 2) to enhance the administration and management of the car rental industry, including requirements to obtain and carry a valid permit or license for each rental car, and rules against car rental companies engaging in road passenger transportation services without the requisite business licenses.

A large number of provinces and cities, such as Beijing, Shanghai, Chongqing, Shijiazhuang, Kunming, Shenyang, Dalian, Anshan, Harbin, Xiamen, Nanchang, Jiangsu Province, Zhejiang Province, Shaanxi Province, Shanxi Province, Shandong Province, Sichuan Province, Guizhou Province, Jilin Province, Hubei Province and Hunan Province, have promulgated local road transportation regulations, which generally provide that the business scope of car rental services shall not include chauffeur services. Moreover, certain provinces and cities explicitly restrict a car rental company from directly providing chauffeur services concurrently with car rental services.

We cooperate with third party car rental companies to provide car services for pickup and drop off to and from airports, train stations and tourist attraction sites as well as other travel-related ground transportation services.

Regulations on Internet Mapping Services

According to the amended Administrative Rules of Surveying Qualification Certificates and the amended Standard for Internet Map Services issued by the National Administration of Surveying, Mapping and Geoinformation, or NASMG, in July 2014 and May 2010 respectively, the provision of internet mapping services by any non-surveying and mapping enterprise is subject to the approval of the NASMG and requires a surveying and mapping qualification certificate. According to these rules, certain conditions and requirements, such as the number of technical personnel and map security verification personnel, security facilities and approval from the relevant provincial or national government on the service provider's security system, qualification management and filings management, are necessary for an enterprise applying for a Surveying and Mapping Qualification Certificate. Pursuant to the Notice on Further Strengthening the Administration of Internet Map Services Qualification issued by the NASMG in December 2011, any entity that has not yet applied for a surveying qualification certificate for internet mapping services is prohibited from providing any internet mapping services. We have provided a map on our platforms to increase convenience for our users so that they can locate hotels near their desired location. Our VIE holds a Surveying and Mapping Qualification Certificate for internet mapping.

On November 26, 2015, the State Council enacted the Administrative Regulations on Maps, or the Maps Regulations, effective as of January 1, 2016. The Maps Regulations requires entities engaging in internet mapping services, such as geographic positioning, providing geographic information or markings online, and the development of a public map database, to obtain a relevant qualification certificate for surveying and mapping. The Maps Regulations further require that entities engaging in online mapping services (i) use mapping data approved by the relevant governmental authorities, (ii) host servers storing map data within the PRC, and (iii) establish a management system as well as protection measures for the data security of the online maps. The mapping data must not contain any content prohibited by the Maps Regulations, and no entities or individuals are allowed to upload or mark such prohibited content online. Furthermore, entities engaging in internet mapping services are required by the Maps Regulations to keep confidential any information involving state secrets and trade secrets acquired during their work.

Regulations on Advertisements

The PRC government regulates advertising, including online advertising, principally through the State Administration for Industry and Commerce, or SAIC. At the national level, online advertising is generally regulated by the same laws as those applicable to print and broadcast advertising. Prior to November 30, 2004, in order to conduct any advertising business, an enterprise was required to hold an operating license for advertising in addition to a relevant business license. On November 30, 2004, the SAIC issued the Administrative Rules for Advertising Operation Licenses, effective as of January 1, 2005, granting a general exemption to this requirement for most enterprises (other than radio stations, television stations, newspapers and magazines, non-corporate entities and entities specified in other regulations).

On October 27, 1994, the Standing Committee of the National People's Congress issued the PRC Advertising Law, or the Advertising Law, which was amended on April 24, 2015. The Advertising Law applies to all advertising activities, including those conducted via the internet. With respect to online advertising, the Advertising Law requires that users be able to close online pop-up ads with one click and that internet service providers refrain from publishing any advertisements that they know or should have known to be illegal. The legality of such advertisement is assessed based on both its form and content. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, termination of advertising operations and even suspension of the provider's business license. Regarding endorsements, the Advertising Law stipulates that celebrity endorsers are jointly liable with the advertiser for any consumer injury caused by the product.

Generally, all advertisers, advertising operators and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they produce or distribute are true and fully compliant with applicable laws and regulations. As part of a new focus on false and misleading advertisements, the Advertising Law clarifies what constitutes "false advertising." This new definition specifically includes making claims that do not match actual conditions of products, which has a material impact on the consumers' decision to purchase, as well as any outright misstatement of a product's effectiveness as "false advertising". Violation of these regulations can result in a penalty of three to five times the advertising fee, or RMB 200,000 to 1,000,000.

In addition, where a special government review is required for certain categories of advertisements before publishing, the advertisers, advertising operators and advertising distributors are obligated to confirm that such review has been duly performed and that the relevant approval has been obtained. Violations of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. For serious violations, the SAIC or its local branches may order the violator to terminate its advertising operations or even revoke its business license. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liabilities if they infringe on the legal rights and interests of third parties. To comply with these laws and regulations, we include clauses in all of our advertising contracts requiring that all advertising content provided by advertisers or advertising agencies must comply with the relevant laws and regulations.

Regulation on Group Buying

On March 12, 2012, the SAIC issued the Opinions on Strengthening the Administration of Online Group Buying Operations, or the Group Buying Operation Opinions. The Group Buying Operation Opinions stipulate the qualification requirements for operators of group buying websites and certain other obligations, such as an examination of the licenses/authorizations of the providers of the relevant products/services offered on the group buying website, the group buying website operator's contracts with such suppliers and customers, data protection for consumers and after sale services, among other items.

Qualification Requirements

Pursuant to the Group Buying Operation Opinions, operators of group buying websites must complete all relevant registrations, obtain a relevant business license and disclose or link to the business license information in a prominent place on the homepage of the website. Group buying websites without business licenses are prohibited. Group buying websites with business licenses but engaged in business operations in violation of the relevant PRC laws and regulations will be punished or may have their business licenses revoked.

Requirements and Obligations

The Group Buying Operation Opinions require operators of group buying websites to offer for sale only services and products from entities and individuals with a relevant business license and the necessary regulatory authorizations and require that such operators must examine such licenses/authorizations, maintain records of all of their suppliers and update such records in a timely fashion. In addition, the descriptions of any goods and services must be accurate and complete.

The Group Buying Operation Opinions also stipulate certain requirements for the contracts that the operators of group buying websites may enter into with suppliers and customers. Supplier contracts must be detailed and specify adequate quality assurances and consumer protection. Contracts with customers must comply with relevant laws and regulations and may not exempt the operator from any material obligations. The key provisions must also be highlighted for customers.

The Group Buying Operation Opinions require the group buying website operators to establish data protection systems and not to knowingly disclose any confidential information relating to their suppliers or customers.

Under the Group Buying Operation Opinions, operators of group buying websites must (i) establish a comprehensive after-sales service system, consumer dispute settlement system and professional customer service team, (ii) ensure that their complaint and customer support channels are smooth, and (iii) provide customers with troubleshooting assistance and feedback in a timely manner.

In addition, under the Group Buying Operation Opinions, operators of group buying websites must observe the refund requirements of the Consumer Protection Law. Specifically, group buying website operators may not impose no-refund restrictions or restrict refunds to website credit.

Group buying website operators must also preserve all relevant data for a period of two years following their cessation of operations. In undertaking promotions, operators of group buying websites must obey the Anti-unfair Competition Law and the Certain Regulations on Prohibiting Unfair Competition in Prize-attached Sales.

The Group Buying Operation Opinions are relatively new and there have thus far been no relevant implementation rules or interpretations. Our current group buying business is conducted by our VIE and the WFOE. Subject to any clarifications or interpretations that may be issued in future as to the Group buying Operation Opinions, we might need to adjust our operational or contracting practices.

Regulation on E-Commerce

China's e-commerce industry is at an early stage of development and there are few PRC laws or regulations specifically regulating the e-commerce industry. In January 2014, the SAIC issued the Administrative Measures on Online Trading, or the Administrative Measures. The Administrative Measures regulate online trading, including selling items and providing services through the Internet. In addition to basic requirements that online sellers and service provider, or Operator, should abide by the requirements of the PRC Consumer Rights and Interests Protection Law and similar rules, The Administrative Measures emphasize that an Operator is responsible for personal data protection. In this respect, Operators are obliged to (i) seek consumers' prior consent for collecting and using their personal data, (ii) keep the collected data confidential and secured, and (iii) take effective measures to remedy any leakage or loss of personal data. In addition, the Administrative Measures set specific requirements for operators of third party platforms that provide a web space for parties to transact business. These requirements include authenticating the Operator's identification, signing a contract with the Operator for the use of the platform, setting rules for online trading, security and dispute resolution, cooperating with the local administrations of industry and commerce, taking measures to protect trademark rights and corporate name rights, distinguishing the Operator's own products or services from those of other Operators, and keeping online trading records for at least two years.

The Administrative Measures take effect on March 15, 2014. As such, the Administrative Measures are new and there are thus far no relevant implementation rules or interpretations.

On December 24, 2014, the MOFCOM issued the Provisions on the Procedures for Formulating Transaction Rules of Third-party Platforms for Internet Retail (for Trial Implementation), or the Procedures Provisions, effective as of April 1, 2015. The Procedures Provisions were promulgated to promote the healthy development of network retail, protect the legitimate rights and interests of various parties involved in network retail activities based on third-party platforms, safeguard the public interest, and strengthen public information services. They specify the duties of operators of third-party platforms for network retail, including making relevant transactions rules public and recorded, soliciting public opinions when the operators formulate or revise their transaction rules, adapting reasonable transitional measures if the transaction rules that are formulated, revised or enforced by them have a material impact on network retail operators and consumers, and similar measures. In addition, the Procedure Provisions also give the power to the local competent commerce authorities to impose penalties on operators where there is a violation.

Foreign ownership of e-commerce and related businesses, including online retail businesses, was subject to restrictions under current PRC laws and regulations, other than for foreign investors in the China (Shanghai) Pilot Free Trade Zone. Foreign investors outside of the China (Shanghai) Pilot Free Trade Zone (subject to certain conditions) were not allowed to own more than 50% of the equity interests in a value-added telecommunications service provider, and any such foreign investor must have experience in providing value-added telecommunications services overseas and must maintain a good track record. In March 2015, the National Development and Reform Commission and the MOFCOM issued the updated Catalogue for the Guidance of Foreign Investment Industries, or the Catalogue, effective as of April 10, 2015, which further relaxes market access restrictions. Among these changes, foreign investors now are allowed to own up to 100% of the equity interests in an e-commerce business.

The Administrative Measures, the Procedures Provisions and the Catalogue are new and there are still uncertainties as to their interpretation and implementation. Our platform is currently operated by our VIE. In the event of any clarifications or interpretations that may be issued in the future regarding the Administrative Measures and/or the Procedures Provisions and/or the Catalogue, we might need to adjust our operational or contracting practices accordingly.

Regulations on Consumer Rights Protection

According to the PRC Consumer Rights and Interests Protection Law, effective as of January 1, 1994, amended on October 25, 2013, the rights and interests of consumers that purchase or use commodities or that receive services for consumption purposes in daily life shall be protected, which includes the right to personal safety and the safety of property, the right to be informed about goods and services offered for sale, the right to free choice when selecting goods or services and the right to enjoy fair dealings, respect for their personal dignity and ethnic customs, and compensation for damages suffered.

Correspondingly, a business operator providing a commodity or service to a consumer is subject to a number of requirements, which include to ensure that commodities and services meet with certain safety requirements, to disclose serious defects of a commodity or service and to adopt preventive measures against damage occurring, to provide consumers with accurate information and to refrain from conducting false advertising, and not to set unreasonable or unfair terms for consumers nor to alleviate or release itself from civil liability for harming the legal rights and interests of consumers by means of standard contracts, circulars, announcements, shop notices or other means. A business operator may be subject to civil liabilities for failing to fulfill the obligations discussed above. These liabilities include restoring the consumer's reputation, eliminating the adverse effects suffered by the consumer and offering an apology and compensation for any losses incurred. The following penalties may also be imposed upon business operators for any infraction: issuance of a warning, confiscation of any illegal income, imposition of a fine, an order to cease business operation, revocation of its business license or imposition of criminal liabilities under circumstances that are specified in laws and statutory regulations. The amendment to the PRC Consumer Rights and Interests Protection Law took effect on March 15, 2014. Key features of the amendment include that business operators must: obtain explicit consent from customers before collecting and using their personal data; inform customers of the purposes, method and scope of any personal data use; keep confidential all customer personal data; not sell, or illegally provide or disclose customer personal data to third parties; take technical and other measures necessary to ensure information security and to prevent disclosure of customer personal data; take immediate measures to mitigate damages if personal information is disclosed or lost; and not send commercial information to customers without their explicit consent. The amendment also establishes that e-commerce customers have a statutory right to freely return goods within seven days of receiving them, excluding goods such as tailor-made products, fresh and perishable goods, digital goods and newspapers and periodicals. The amendment also increases the fines for breach of the PRC Consumer Rights and Interests Protection Law to up to 10 times the illegal gains, or up to RMB500,000.

In December 2003, the Supreme People's Court in China enacted the Interpretation of Some Issues Concerning the Application of Law for the Trial of Cases on Compensation for Personal Injury, which further increases the liabilities of business operators engaged in the operation of hotels, restaurants or entertainment facilities and subjects such operators to compensatory liabilities for failing to fulfill their statutory obligations to a reasonable extent or to guarantee the personal safety of others.

In October 2010, the Supreme People's Court of China issued the Provisions on Issues Concerning the Application of Law for the Trial of Cases on Tourism-related Disputes, which establish liabilities for tour operators and tourism support service providers in the event of contract disputes, personal injury and property damage involving tourists.

On January 5, 2015, the SAIC issued the Measures for Punishments against Infringements of Consumer Rights and Interests, or the Punishments Measures, effective as of March 15, 2015. The Punishments Measures were promulgated based on the PRC Consumer Rights and Interests Protection Law, to further protect the rights and interests of consumers by listing the responsibilities and duties of business operators as well as penalties related to the violation of the Punishment Measures. In particular, the Punishment Measures add protection for consumer information and set forth detailed rules for advance payments and refunds for online shopping.

For certain of our business lines, we rely on travel service providers to provide and services to our users. Although we take certain measures to handle user complaints, such as maintaining a user service center, we cannot ensure that all travel service providers accessible via our platforms take sufficient measures to protect consumer rights or provide compensation in a timely fashion in the event of any consumer dispute. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to adequately monitor or ensure the service quality of our travel service providers and increases in user dissatisfaction with the travel service providers could materially and adversely affect our results of operations."

Regulations on Intellectual Property Rights

China has adopted legislation governing intellectual property rights, including trademarks, patents and copyrights. China is a signatory to the major international conventions on intellectual property rights and became a member of the Agreement on Trade Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

Patent. The National People's Congress adopted the Patent Law in 1984 and amended it in 1992, 2000 and 2008. The purpose of the Patent Law is to protect lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design that has major marking effect on the patterns or colors of graphic print products or a combination of both patterns and colors. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a term of twenty years in the case of an invention and a term of ten years in the case of utility models and designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

As of March 31, 2016, we have applied for 117 patents with the State Intellectual Property Office and have been granted 18.

Copyright. The National People's Congress adopted the Copyright Law in 1990 and amended it in 2001 and 2010, respectively. The amended Copyright Law extends copyright protection to internet activities, products disseminated over the Internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center. The amended Copyright Law also requires registration of a copyright pledge.

According to the Copyright Law, an infringer will be subject to various civil liabilities, which include stopping the infringement, eliminating the damages, apologizing to the copyright owners and compensating the losses of copyright owners. The Copyright Law further provides that the infringer must compensate the actual loss suffered by the copyright owner. If the actual loss of the copyright owner is difficult to calculate, the illegal income received by the infringer as a result of the infringement will be deemed as the actual loss or if such illegal income is also difficult to calculate, the court can decide the amount of the actual loss up to RMB500,000.

To address the problem of copyright infringement related to the content posted or transmitted over the Internet, the National Copyright Administration and the MIIT jointly promulgated the Measures for Administrative Protection of Copyright Related to internet on April 29, 2005. This measure became effective on May 30, 2005.

On May 18, 2006, the State Council promulgated the Protection of the Right of Communication through Information Networks, which became effective on July 1, 2006 and was revised on January 30, 2013. Under this regulation, with respect to any information storage space, search or link services provided by an internet service provider, if the legitimate right owner believes that the works, performance or audio or video recordings pertaining to that service infringe his or her rights of communication, the right owner may give the Internet service provider a written notice containing the relevant information along with preliminary materials proving that an infringement has occurred, and requesting that the Internet service provider delete, or disconnect the links to, such works or recordings. The right owner will be responsible for the truthfulness of the content of the notice. Upon receipt of the notice, the Internet service provider must delete or disconnect the links to the infringing content immediately and forward the notice to the user that provided the infringing works or recordings. If the written notice cannot be sent to the user due to the unknown IP address, the contents of the notice shall be publicized via information networks. If the user believes that the subject works or recordings have not infringed others' rights, the user may submit to the Internet service provider a written explanation with preliminary materials proving non-infringement, and a request for the restoration of the deleted works or recordings. The Internet service provider should then immediately restore the deleted or disconnected content and forward the user's written statement to the right owner.

On December 26, 2009, the Standing Committee of the National People's Congress adopted the Torts Liability Law, which became effective on July 1, 2010. Under this new law, both internet users and internet service providers may be liable for the wrongful acts of users who infringe the lawful rights of other parties. If an internet user utilizes internet services to commit a tortious act, the party whose rights are infringed may request the Internet service provider to take measures, such as removing or blocking the content, or disabling the links thereto, to prevent or stop the infringement. If the Internet service provider does not take necessary measures after receiving such notice, it shall be jointly liable for any further damages suffered by the rights holder. Furthermore, if an internet service provider fails to take necessary measures when it knows that an internet user utilizes its internet services to infringe the lawful rights and interests of other parties, it shall be jointly liable with the Internet user for damages resulting from the infringement.

To address issues related to the hearing of civil disputes concerning the infringement of the right of communication through information networks, the PRC Supreme People's Court issued the Provisions on Several Issues Concerning the Application of Law in Hearings of Civil Dispute Cases on the Infringement of Information Networking Transmission Rights, or the Supreme Court Provisions, which took effect as of January 1, 2013. The Supreme Court Provisions provide more detailed guidance as to the circumstances in which the provision by network users or network service providers of another's works, performances, and audio or video products without permission from the rights owner constitutes infringement of information network transmission rights. The Supreme Court Provisions provide that internet service providers will be jointly liable if they assist in infringing activities or fail to remove infringing content from their websites once they know of the infringement or receive notice from the rights holder. The Supreme Court Provisions also provide that, where a network service provider obtains economic advantage directly from the works, performances and sound or visual recordings provided by the network service provider, it must pay close attention to infringement of network information transmission rights by network users.

On October 27, 2000, the MIIT issued the Administrative Measures on Software Products, or the Software Measures, to strengthen the regulation of software products and to encourage the development of the PRC software industry. On March 1, 2009, the MIIT issued amended Software Measures, which became effective on April 10, 2009. The Software Measures provide a registration and filing system with respect to software products made in or imported into China. These software products may be registered with the competent local authorities in charge of software industry administration. Registered software products may enjoy preferential treatment status granted by relevant software industry regulations. Software products can be registered for five years, and the registration is renewable upon expiration.

In order to further implement the Computer Software Protection Regulations promulgated by the State Council on December 20, 2001, the National Copyright Administration of the PRC issued Computer Software Copyright Registration Procedures on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

In compliance with, and in order to take advantage of, the above rules, we have registered 64 software copyrights as of March 31, 2016.

Trademark. The PRC Trademark Law, adopted in 1982 and revised in 1993, 2001 and 2013, protects registered trademarks. The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration application has been made is identical or similar to another trademark that has already been registered or has been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark must not prejudice the existing right of others obtained by priority, nor may any person register in advance a trademark that has already been used by another person and has already gained a "sufficient degree of reputation" through that person's use. After receiving an application, the PRC Trademark Office, which is under the SAIC and handles trademark registration affairs in China, will make a public announcement if the relevant trademark passes the preliminary examination. Within three months after such public announcement, any person may file an objection against a trademark that has passed a preliminary examination. The PRC Trademark Office's decisions on rejection, objection or cancellation of an application may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement period or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, at which point the trademark is deemed to be registered and will be effective for a renewable ten-year period, unless otherwise declared invalid or revoked. The licensor shall file the trademark licensing with the Trademark Office for record. The licensing of a trademark that has not been filed for record may not be used against a bona fide third party. As of March 31, 2016, we have 145 registered trademarks in the PRC and overseas, including "Qunar," "去哪儿," "qunar.com and camel logo," and "qunar.com 去哪儿 and camel logo".

Domain Names. In September 2002, the CNNIC issued the Implementing Rules for Domain Name Registration setting forth detailed rules for registration of domain names, or the Domain Name Registration Rules, as amended in June 2009 and May 2012. According to the Domain Name Registration Rules, any natural person or organization that can bear independently its own civil responsibilities has the right to apply for the domain registration under the top level domain names, such as ".cn" and ".中国". On November 5, 2004, the MIIT promulgated the Measures for Administration of Domain Names for the Chinese Internet, or the Domain Name Measures. The Domain Name Measures regulate the registration of domain names, such as the first tier domain name ".cn." In 2002, the CNNIC issued the Measures on Domain Name Dispute Resolution, as amended in February 2006 and May 2012 and its implementing rules, pursuant to which the CNNIC can authorize a domain name dispute resolution institution to decide disputes. We have registered 82 domain names including qunar.com.

Anti-unfair competition. Under the PRC Anti-Unfair competition Law, effective as of December 1, 1993, a business operator is prohibited from any of the following unfair means:

- counterfeiting a registered trademark of another person.;
- using, without authorization, the name, packaging or decoration unique to a famous product, or any similar name, packaging or decoration, in a way that could cause purchasers to mistake the offered product for the famous product; and
- using, without authorization, the name of another enterprise or person, thereby leading people to mistake their commodities for those of the said enterprise or person.

In addition, the Supreme People's Court has promulgated an interpretation on select issues relating to the application of the law in civil trials for unfair competition cases (the Interpretation), effective as of February 1, 2007. This Interpretation provides guidance on how to conduct trials involving unfair competition, protect the legal rights and interests of business operators and maintain orderly market competition. On February 25, 2016, the Legislative Affairs Office of the State Council released a revised draft Anti-Unfair competition Law to solicit public comments.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to adequately protect our intellectual property, which could harm the value of our brands and adversely affect our business" and "—Claims by third parties that we infringe on their intellectual property rights or that our platforms or travel services providers' web outlets hosted by us contain errors or false or misleading information could lead to government administrative actions and result in significant costs and could have a material adverse effect on our business, results of operations and financial condition."

Regulations on Tax

PRC Enterprise Income Tax

The PRC enterprise income tax, or EIT, is calculated based on the taxable income determined under the applicable EIT Law and its implementation rules, which became effective on January 1, 2008. The EIT Law imposes a uniform enterprise income tax rate of 25% on all resident enterprises in China, including foreign-invested domestic enterprises.

The EIT Law and its implementation rules permit certain "HNTEs strongly supported by the state" that hold independent ownership of core intellectual property and simultaneously meet a list of other criteria, financial or non-financial, as stipulated in the implementation rules and other regulations, to enjoy a reduced 15% enterprise income tax rate subject to certain new qualification criteria. The SAT, the Ministry of Science and Technology and the Ministry of Finance jointly issued the Administrative Rules for the Certification of High and New Technology Enterprises on April 14, 2008, and the Guidelines for the Administration of Certification of High and New Technology Enterprises on July 8, 2008, delineating the specific criteria and procedures for the HNTEs certification. Both the WFOE and our VIE obtained the certificates of HNTEs issued by the Beijing Science and Technology Commission, the Beijing Finance Bureau, the Beijing State Tax Bureaus and the Beijing Local Tax Bureaus on December 14, 2009, and this status is valid for three years. These certificates were renewed in October 2012 and were further renewed in July 2015 for an additional three years. Both the WFOE and our VIE have registered with the relevant tax bureau for the preferential EIT rate treatment as HNTEs. However, we cannot assure you that the WFOE and our VIE can continue to be recognized as HNTEs or renew this qualification when the term expires and thus continue to be entitled to the preferential enterprise income tax rate of 15% or any other preferential enterprise income tax treatment.

Uncertainties exist with respect to how the EIT Law applies to our tax residence status. Under the EIT Law, an enterprise established outside of China with a "de facto management body" within China is considered a "resident enterprise," which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Though the implementation rules of the EIT Law define "de facto management body" as "establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise," the only official guidance for this definition currently available is set forth in the SAT Circular 82 issued by the SAT, which provides guidance on the determination of the tax residence status of Chinese-controlled offshore incorporated enterprises, defined as an enterprise that is incorporated under the laws of a foreign country or territory and that has a PRC enterprise or enterprise group as its primary controlling shareholder. Although we do not have a PRC enterprise or enterprise group as our primary controlling shareholder and are therefore not a Chinese-controlled offshore incorporated enterprise within the meaning of the SAT Circular 82, in the absence of guidance specifically applicable to us we have applied the guidance set forth in the SAT Circular 82 to evaluate the tax residence status of us and our subsidiaries organized outside the PRC.

According to the SAT Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions set forth in the SAT Circular 82 are met:

- the primary location of the day-to-day operational management is in the PRC;
- decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC;
- the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and
- 50% or more of voting board members or senior executives habitually reside in the PRC.

We do not believe that either Qunar Cayman Islands Limited or its Hong Kong subsidiary, Queen's Road Travel Information Limited, meet all of the conditions above. Each of Qunar Cayman Islands Limited and Queen's Road Travel Information Limited is a company incorporated outside the PRC. As holding companies, these three entities' key assets and records, including records of the resolutions of their respective board of directors and the resolutions of their respective shareholders, are located and maintained outside the PRC. In addition, we are not aware of any offshore holding companies with a similar corporate structure as ours ever having been deemed a PRC "resident enterprise" by the PRC tax authorities. Therefore, we believe that neither Qunar Cayman Islands Limited nor Queen's Road Travel Information Limited should be treated as a "resident enterprise" for PRC tax purposes if the criteria for a "de facto management body" as set forth in the SAT Circular 82 were applicable to companies such as us. However, the tax residence status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to us and our offshore subsidiary.

In the event that we or our Hong Kong subsidiary is considered to be a PRC resident enterprise: (1) we or our Hong Kong subsidiary, as the case may be, may be subject to the PRC enterprise income tax at the rate of 25% on worldwide taxable income; (2) dividend income that we or our Hong Kong subsidiary, as the case may be, receive from our PRC subsidiary may be exempt from the PRC withholding tax; and (3) dividends that we pay to our overseas shareholders or ADS holders who are non-PRC resident enterprises as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as PRC-sourced income and, as a result, subject to PRC withholding tax at a rate of up to 10%, and similarly, dividends we pay to our overseas shareholders or ADS holders who are non-PRC resident individuals, as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs, may be regarded as PRC-sourced income and, as a result, subject to PRC withholding tax at a rate of 20%, subject to the provision of any applicable agreement for the avoidance of double taxation.

The SAT issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, in 2009 with retroactive effect from January 1, 2008, whereby a non-resident enterprise that transfers the equity interests of a PRC resident enterprise indirectly by disposing of the equity interests of an overseas holding company, or the Indirect Transfer, but that lacks reasonable business purpose, may be subject to PRC withholding tax at a rate of up to 10% from gains derived from such Indirect Transfer. Although the SAT issued the Notice on Several Issues on the Administration of Enterprise Income Tax of Non-PRC Resident Enterprises on March 28, 2011, or SAT Circular 24, to provide further clarifications on how SAT Circular 698 and its relevant provisions should be implemented, there remain uncertainties as to how "reasonable commercial purposes" is defined or determined or whether transactions conducted as part of an internal restructuring may be immune to re-characterization. On February 3, 2015, the SAT Notice on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Companies, or SAT Circular 7, was released, which provides clarity as to "reasonable commercial purpose" and abolishes certain clauses of both SAT Circular 698 and SAT Circular 24. SAT Circular 7 also expands Indirect Transfer from equity interests to movable and immovable property in the PRC and provides safe harbor rules for the public trading of shares in a listed company holding taxable PRC assets and for indirect transfers resulting from a corporate restructuring.

Further, SAT Circular 7 replaces the compulsory reporting requirement in SAT Circular 698 with a voluntary reporting regime. SAT Circular 7 provides that, however, where an indirect transfer occurs and the relevant tax authority so requires, both parties to the indirect transfer must submit the relevant documents to the competent tax authority. SAT Circular also provides that, where EIT is payable in respect of an indirect transfer, the party who is obligated under applicable laws or contracts to make payment directly to the transferor shall be responsible for withholding such EIT. Failure to pay or withhold the EIT that is due according to SAT Circular 7 will result in penalty interests calculated on a daily basis. Indirect transfers occurring before SAT Circular 7 but for which tax matters have not been resolved will be governed by SAT Circular 7.

Although SAT Circular 7 provides clarity in many important areas, such as reasonable commercial purpose and reporting requirements, there are still uncertainties as to its interpretation and implementation. It brings challenges to both the foreign transferor and transferee of the Indirect Transfer as they are required to make self-assessment on whether the transaction should be subject to PRC tax and to file or withhold the PRC tax accordingly. Further, the PRC tax authorities have discretion under SAT Circular 698 and SAT Circular 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the equity interests transferred and the cost of investment.

There is uncertainty as to the application of SAT Circular 698 and SAT Circular 7. If SAT Circular 698 and SAT Circular 7 are determined by the tax authorities to be applicable to us and our non-resident enterprise investors, we and our non-resident enterprise investors may be required to expend valuable resources to comply with this circular or to establish that we or our non-resident enterprise investors should not be taxed under SAT Circular 698 and SAT Circular 7, which may adversely affect us or our non-resident enterprise investors. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—The heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us."

The SAT promulgated a Circular on Issues Regarding Enterprise Income Tax Matters in Relation to Enterprise Payment of Fees to Overseas Affiliated Parties, or Circular 16, on 18 March 2015. Under Circular 16, the taxation authorities can adjust the calculation of tax payable if a payment by a Chinese enterprise to an overseas affiliate is not made on an arm's length equivalent basis. Scenarios under which payments might not be deemed to have been made on an arm's length equivalent basis would include all payments made to an overseas affiliate that do not provide economic benefits, do not result from the enterprise's substantial business activities or any payments for royalties in respect of IPO financing.

Under PRC laws, payers of the PRC-sourced income to non-PRC residents are generally obligated to withhold PRC income taxes from the payment. In the event of failure to withhold, the non-PRC residents are required to pay such taxes on their own. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed, fines and default interest on those taxes.

PRC Business Tax

Pursuant to applicable PRC tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technology development and transfer, such business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the Ministry of Finance and the SAT promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax, or the VAT pilot plan. Pursuant to this plan and relevant notices, from January 1, 2012, a VAT has been imposed to replace the business tax in the transport and shipping industry and some of the modern service industries in certain pilot regions. Under the VAT pilot plan, a VAT rate of 6% applies to some modern service industries. Both Beijing and Shanghai have implemented pilot plans to replace business tax with VAT. See "Item 3 Key Information—D. Risk Factors —Risks Related to Doing Business in the PRC The PRC government's pilot plan to replace the business tax with a VAT may require us to pay more taxes."

Cultural Development Fee

According to applicable PRC tax regulations or rules, advertising service providers are generally required to pay a cultural development fee at a rate of 3% on revenues (i) that are generated from providing advertising services and (ii) that are also subject to the business tax.

Local Surcharges

The city construction tax and education surcharge are local surcharges imposed as a certain percentage of PRC turnover taxes (i.e., business tax, value-added tax and consumption tax). The city construction tax is charged at rates of 1%, 5% or 7% (the applicable city construction tax rate depends on the location of the PRC enterprise) of the turnover tax while the education surcharge rate is currently at 3% of the turnover tax. Although in the past foreign-invested enterprises, foreign enterprises and foreign individuals were exempted from such surcharges, these entities were required to make such payments from December 1, 2010 according to a notice issued by PRC State Council in October 2010.

In addition to the city construction tax and the education surcharge, the China Ministry of Finance issued Circular Caizong (2010) No. 98, or Circular 98, which requires all entities and individuals (including FIFs, foreign enterprises and foreign individuals) to pay a local education surcharge, or LES, at 2% on turnover tax. Local governments are required to report their implementation measures on LES to the Ministry of Finance. LES became applicable to all entities and individuals in Beijing on January 1, 2012.

Dividends Withholding Tax

We are a Cayman Islands holding company and substantially all of our income may come from dividends we receive from our subsidiaries located in the PRC and Hong Kong. Pursuant to the EIT Law and its implementation rules, dividends generated after January 1, 2008 and distributed to our Hong Kong subsidiary by the WFOE would generally be subject to a withholding tax rate of 5%, provided that our Hong Kong subsidiary is the beneficial owner of the PRC-sourced income. The WFOE has not obtained the approval for a withholding tax rate of 5% from the local tax authority and does not plan to obtain such approval in the near future as we have not achieved profitability. However, the SAT promulgated the Notice on How to Understand and Determine the Beneficial Owners in Tax Agreement on October 27, 2009, or Circular 601, which provides guidance for determining whether a resident of a contracting state is the "beneficial owner" of an item of income under China's tax treaties and tax arrangements. According to Circular 601, a beneficial owner generally must be engaged in substantive business activities. An agent or conduit company will not be regarded as a beneficial owner and, therefore, will not qualify for treaty benefits. For this purpose, a conduit company is a company that is set up for the purpose of avoiding or reducing taxes or transferring or accumulating profits.

Regulations on Foreign Exchange

Foreign exchange activities in China are primarily governed by the following regulations:

- Foreign Currency Administration Rules (2008), or the Exchange Rules; and
- Administration Rules of the Settlement, Sale and Payment of Foreign Exchange (1996), or the Administration Rules.

Under the Exchange Rules, if documents certifying the purposes of the conversion of RMB into foreign currency are submitted to the relevant foreign exchange conversion bank, the RMB will be convertible for current account items, including the distribution of dividends, interest and royalty payments and trade and service-related foreign exchange transactions. Conversion of RMB for capital account items, such as direct investment, loans, securities investment and repatriation of investment, however, is subject to the approval of SAFE or its local counterpart.

Under the Administration Rules, foreign-invested enterprises may buy, sell and/or remit foreign currencies at banks authorized to conduct foreign exchange business only after providing valid commercial documents and, in the case of capital account item transactions, obtaining approval from SAFE or its local counterpart. Capital investments by PRC entities outside of China, after obtaining the required approvals of the relevant approval authorities, such as the MOFCOM and the National Development and Reform Commission, or NDRC, or their local counterparts, are also required to register with SAFE or its local counterpart.

In utilizing the proceeds we expect to receive from our initial public offering and subsequent offerings or financings as an offshore holding company with a PRC subsidiary, we may (i) make additional capital contributions to our PRC subsidiary, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries, or (iv) acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals. For example:

- capital contributions to our PRC subsidiaries, whether existing or newly established, must be approved by the MOFCOM or its local counterparts;

- loans by us to our PRC subsidiaries, which are foreign-invested enterprises, to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches; and

On November 9, 2010, SAFE promulgated the Circular on Issues Concerning Straightening the Administration of Foreign Exchange Businesses or SAFE Circular 59, which requires the local SAFE branch and banks to closely examine the authenticity of the settlement of net proceeds from offshore offerings and the net proceeds to be settled in the manner described in the offering documents. On March 30, 2015, SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, or Circular 19, which became effective on June 1, 2015. Circular 19 adopts a concept of "discretionary conversion," which is defined as the conversion of a foreign-invested enterprise's registered capital in foreign currency in accordance with the enterprise's actual business needs. No review of the purpose of the funds is required at the time of conversion under Circular 19. However, use of any Renminbi funds converted from its registered capital shall be based on true transaction. In addition, equity investments using converted registered capital are no longer prohibited under Circular 19. Nevertheless, foreign-invested enterprises like our PRC subsidiaries are still not allowed to extend intercompany loans to our VIE. In addition, as SAFE Circular 19 was promulgated recently, there remain substantial uncertainties with respect to the interpretation and implementation of this circular by relevant authorities. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—PRC regulations of loans to PRC entities and direct investment in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our WFOE."

Regulations on Dividend Distributions

The principal regulations governing dividend distributions of wholly foreign-owned enterprises include:

- the Company Law (2013);

- the Wholly Foreign-Owned Enterprise Law (1986), as amended in 2000; and

- the Wholly Foreign-Owned Enterprise Law Implementing Rules (1990), as amended in 2001.

Under these regulations, wholly foreign-owned enterprises in the PRC may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, these wholly foreign-owned enterprises are required to set aside at least 10% of their respective accumulated profits, if any, each year to fund certain reserve funds, until the aggregate amount of such set-aside reaches 50% of the foreign-owned enterprise's registered capital. The board of directors of a wholly foreign-owned enterprise has the discretion to allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. The WFOE has not paid any dividend to Queen's Road Travel Information Limited.

Regulations on Offshore Investment by PRC Residents

On July 4, 2014, SAFE promulgated the Notice on Relevant Issues Concerning Foreign Exchange Control of Domestic Residents' Overseas Investment and Financing and Roundtrip Investment through Offshore Special Purpose Vehicles, or SAFE Circular No. 37, which replaced the former Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles (generally known as SAFE Circular No. 75) promulgated by SAFE on October 21, 2005.

SAFE Circular No. 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing with such PRC residents' legally-owned assets or equity interests in domestic enterprises or offshore assets or interests, which is referred to in SAFE Circular No. 37 as a "special purpose vehicle." SAFE Circular No. 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as an increase or decrease of capital contributed by PRC residents, share transfer or exchange, merger, division or other material events. In the event that a PRC resident holding interests in a special purpose vehicle fails to complete the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may be subject to penalties, including restriction on our ability to inject capital into our WFOE and our WFOE's ability to distribute profits to us, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange rules."

Regulations on Employee Stock Options Plans

In December 2006, the People's Bank of China promulgated the Administrative Measures of Foreign Exchange Matters for Individuals, setting forth the respective requirements for foreign exchange transactions by individuals (both PRC and non-PRC citizens) under either the current account or the capital account. In January 2007, SAFE issued implementing rules for the Administrative Measures of Foreign Exchange Matters for Individuals, which, among other things, specified approval requirements for certain capital account transactions, such as a PRC citizen's participation in employee stock ownership plans or share option plans of an overseas publicly listed company. On March 28, 2007, SAFE promulgated the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Listed Companies, or the Former Stock Option Rules. In February 2012, SAFE promulgated the Notice on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies, or the New Stock Option Notice, to replace the Former Stock Option Rules. The Stock Option Notice simplifies the requirements and procedures for the registration of stock incentive plan participants, especially with respect to the required application documents and the absence of strict requirements on offshore and onshore custodian banks, as were stipulated in the Former Stock Option Rules. The purpose of both the Former Stock Option Rules and the New Stock Option Notice is to regulate the foreign exchange administration of PRC resident individuals who participate in employee stock holding plans and share option plans of overseas listed companies.

Under these rules, for PRC resident individuals who participate in stock incentive plans of overseas publicly-listed companies, which includes employee stock ownership plans, stock option plans and other incentive plans permitted by relevant laws and regulations, a PRC domestic qualified agent or the PRC subsidiary of such overseas listed company must, among other things, file on behalf of such resident an application with SAFE or its local counterpart to obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the stock holding or exercise of share options, as PRC residents may not directly use overseas funds to purchase shares or exercise share options. In addition, within three months after any substantial changes to any such stock incentive plan, including for example, any changes due to a merger or acquisition or changes to the domestic or overseas custodian agent, the domestic agent must update the registration with SAFE.

Under the Foreign Currency Administration Rules, as amended in 2008, the foreign exchange proceeds of domestic entities and individuals can be remitted into China or deposited abroad, subject to the terms and conditions to be issued by SAFE. However, the implementing rules with respect to depositing foreign exchange proceeds abroad have not been issued by SAFE. The foreign exchange proceeds from the sales of shares can be converted into RMB or transferred to such individuals' foreign exchange savings account after the proceeds have been remitted back to the special foreign exchange account opened at the PRC domestic bank. If share options are exercised in a cashless exercise, the PRC domestic individuals are required to remit the proceeds to special foreign exchange accounts.

Many issues with respect to the New Stock Option Notice require further interpretation. We and our PRC employees who have participated in an employee stock ownership plan or share option plan are subject to the New Stock Option Notice. If we or our PRC employees fail to comply with the New Stock Option Notice, we and our PRC employees may face sanctions imposed by the PRC foreign exchange authority or any other PRC government authorities, including restrictions on foreign currency conversions and additional capital contributions to our PRC subsidiary.

In addition, SAT has issued circulars concerning employee share options. Under these circulars, our employees working in China who exercise share options will be subject to PRC individual income taxes. Our PRC subsidiary has obligations to file documents related to employee share options with the relevant tax authorities and to withhold individual income taxes of employees who exercise their share options. See "Item 3. Key Information—D. Risk Factors Risks Related to Doing Business in the PRC—Failure to comply with PRC regulations regarding the registration requirements for stock ownership plan or stock option plan may subject the PRC plan participants or us to fines and other legal or administrative sanctions."

Labor Laws and Social Insurance

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with workplace safety training. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative liabilities. Criminal liability may arise for serious violations.

In addition, employers in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

To comply with these laws and regulations, we have caused all of our full-time employees to enter into labor contracts and provide our employees with the proper welfare and employment benefits. If we are made subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and results of operations may be adversely affected.

Regulations on Concentration in Merger and Acquisition Transactions

In August 2006, six PRC regulatory agencies jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rule, as amended on June 22, 2009. The M&A Rule established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. The M&A Rule require, among other things, that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor will take control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council on August 3, 2008 are triggered.

Complying with these requirements could affect our ability to expand our business or maintain our market share. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.”

Regulations on Anti-Monopoly Law

On August 30, 2007, the Standing Committee of the National People’s Congress of the PRC adopted the PRC Anti-Monopoly Law, or Anti-Monopoly Law, which took effect on August 1, 2008. Pursuant to the Anti-Monopoly Law, monopolistic conduct, including entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition, is prohibited. To further implement the Anti-Monopoly Law and to clarify certain issues, the State Council, MOFCOM, NDRC and SAIC issued several regulations and rules, including, but not limited to, the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council on August 3, 2008, the Regulation on the Prohibition of Acts Involving Monopolistic Agreements issued by the SAIC on December 31, 2010, the Regulation on the Prohibition of Conduct Constituting an Abuse of a Dominant Market Position issued by the SAIC on December 31, 2010, the Regulation on the Prevention of Conduct Constituting an Abuse of Administrative Powers to Eliminate or Restrict Competition by the SAIC on December 31, 2010, the Anti-Price Monopoly Regulation issued by the NDRC on December 29, 2010, the Declaration Rules for Concentrations of Undertakings issued by the MOFCOM on November 21, 2009, the Assessment Rules for Concentration of Undertakings issued by the MOFCOM on November 24, 2009 and the Provisional Measures on the Investigation and Handling of Concentrations between Business Operators Which Were Not Notified in Accordance with the Law issued by the MOFCOM on December 30, 2011.

Taken together, these various laws and regulations provide for the following:

Monopoly Agreement: Competing business operators shall not enter into monopoly agreements that eliminate or restrict competition, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities and fixing the price of commodities for resale to third parties, among others, unless such agreement will satisfy the exemptions under the Anti-Monopoly Law, such as improving technologies or increasing the efficiency and competitiveness of small and medium-sized undertakings. Sanctions for violations include an order to cease the relevant activities, confiscation of illegal gains and fines of from 1% to 10% of sales revenue from the previous year or of RMB500,000 if the intended monopoly agreement has not been performed.

Abuse of Dominant Market Position: a business operator with a dominant market position shall not abuse its dominant market position to conduct acts such as selling commodities at unfairly high prices or buying commodities at unfairly low prices, selling products at prices below cost without any justifiable cause and refusing to trade with a trading party without any justifiable cause, among others. Dominant market position refers to a market position held by a business operator having the capacity to control the price, quantity or other trading conditions of commodities in the relevant market, or to hinder or affect any other business operator to enter the relevant market, which will be determined based on the market share of the relevant business operator, the capacity of a business operator to control the sales market, the degree of dependence of other business operators upon the business operator in question in transactions and the degree of difficulty for other business operators to enter into the relevant market. Sanctions for violation of the prohibition on the abuse of dominant market position include an order to cease the relevant activities, confiscation of the illegal gains and fines of from 1% to 10% of sales revenue from the previous year.

Concentration of Undertakings: Pursuant to the Anti-Monopoly Law, where a concentration of undertakings reaches the declaration threshold stipulated by the State Council, a declaration must be lodged in advance with the antitrust authority under the State Council. Otherwise, the concentration cannot be implemented. Concentration refers to (1) a merger of undertakings; (2) acquiring control over other undertakings by an undertaking through acquiring equities or assets; or (3) acquisition of control over, or the possibility of exercising decisive influence on, an undertaking by contract or by any other means. According to the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, the thresholds for prior notification of concentration of undertakings are set as the following:

- the combined worldwide turnover of all the undertakings concerned in the preceding financial year is more than RMB10 billion, and the nationwide turnover within China of each of at least two of the undertakings concerned in the preceding financial year is more than RMB400 million; or

- the combined nationwide turnover within China of all the undertakings concerned in the preceding financial year is more than RMB2 billion, and the nationwide turnover within China of each of at least two of the undertakings concerned in the preceding financial year is more than RMB400 million.

If business operators fail to comply with these mandatory declaration provisions, the antitrust authority is empowered to terminate and/or unwind the transaction, dispose of relevant assets, shares or businesses within a certain periods and impose fines up to RMB500,000.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may become the target of antitrust legal claims."

Regulations on Leases

Pursuant to the Law of the PRC on the Administration of Urban Real Estate, or Urban Real Estate Law, promulgated by the Standing Committee of the National People's Congress on July 5, 1994 and amended on August 30, 2007 and on August 27, 2009, and the Measures for the Administration of Leases of Commodity Properties promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and effective as of February 1, 2011, the parties to a lease of a building are required to enter into a lease contract in writing. When a lease contract is signed, amended or terminated, the parties must register the details of the lease with the local real estate administration authority. Although the failure to register the lease agreement will not affect its effectiveness, such lease agreement may be challenged by, and held unenforceable against, a third party who leases the same property from the landlord and who has duly registered the lease with the competent real estate administration authority. Furthermore, the landlord and the tenant may be subject to administrative fines for such failure to register the lease.

We have not registered any of our lease agreements with relevant PRC governmental authorities as required by PRC law and, although failure to do so does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—We face certain risks relating to the real properties that we lease."

C ORGANIZATIONAL STRUCTURE

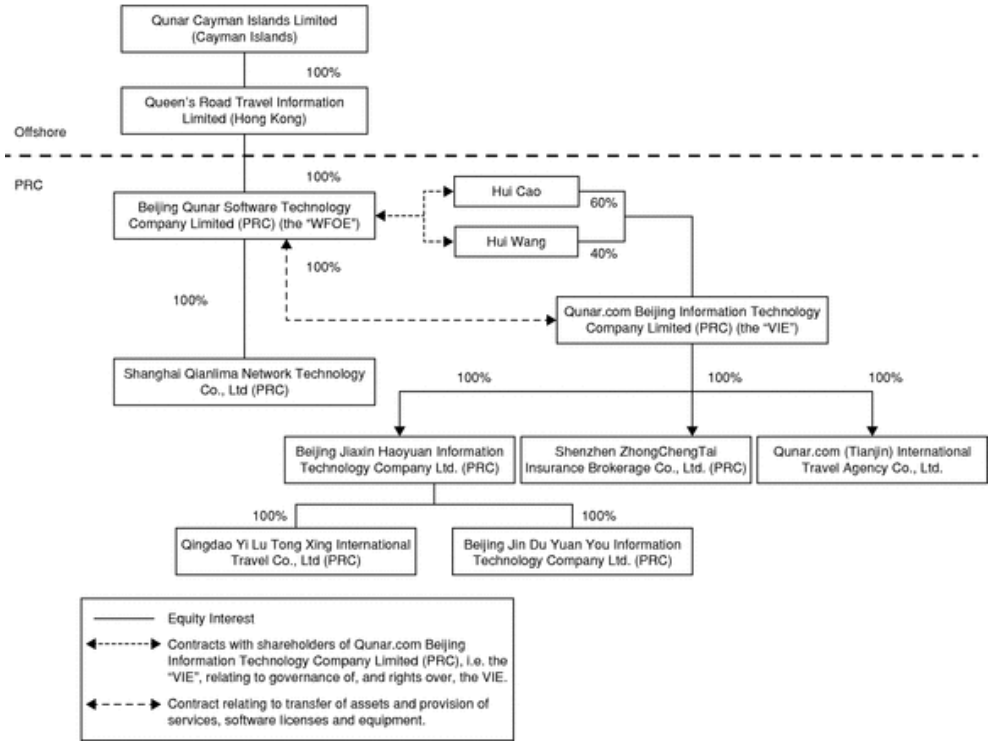
As of the date of this annual report, we operated our businesses through the following significant direct and indirect subsidiaries:

	Place of Incorporation
Subsidiaries	
Queen's Road Travel Information Limited	Hong Kong
Beijing Qunar Software Technology Company Limited	People's Republic of China
Shanghai Qianlima Network Technology Co., Ltd.	People's Republic of China
Variable Interest Entity	
Qunar.com Beijing Information Technology Company Limited	People's Republic of China
Subsidiaries of Variable Interest Entity	
Beijing Jiaxin Haoyuan Information Technology Company Ltd.	People's Republic of China
Qingdao Yi Lu Tong Xing International Travel Co., Ltd.	People's Republic of China
Beijing Jin Du Yuan You Information Technology Company Ltd.	People's Republic of China
Shenzhen ZhongChengTai Insurance Brokerage Co., Ltd.	People's Republic of China
Qunar.com (Tianjin) International Travel Agency Co., Ltd.	People's Republic of China

Since we are a Cayman Islands company and therefore a foreign or foreign-invested enterprise under PRC law, neither we nor the WFOE is eligible to hold a license to operate a commercial website in China. Thus, in order to comply with PRC laws and regulations, we operate our mobile platform and website in China through our VIE by exercising effective control over its operations and receiving economic benefits generated from our VIE through a series of contractual arrangements. For detailed discussion about the relevant PRC laws and regulations, please see "Item 4. Information on the Company—B. Business Overview—Government Regulations—Restrictions on Foreign Ownership in Value-Added Telecommunications Services."

We believe that our ownership structure and the contractual arrangements between our PRC subsidiaries, on the one hand, and our VIE and its shareholders, on the other hand, comply in all material aspects with current PRC laws and regulations. There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Accordingly, PRC government agencies may ultimately take a view that is inconsistent with our own opinion. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure."

The following diagram illustrates our corporate structure, the places of formation and the ownership interests of our significant subsidiaries, our VIE and its significant subsidiaries as of the date of this annual report.


Qunar Cayman Islands Limited (Cayman Islands)
100%
Queen's Road Travel Information Limited (Hong Kong)
Offshore
PRC
100%
Beijing Qunar Software Technology Company Limited (PRC) (the "WFOE")
Hui Cao
60%
Hui Wang
40%
100%
100%
Qunar.com Beijing Information Technology Company Limited (PRC) (the "VIE")
Shanghai Qianlima Network Technology Co., Ltd (PRC)
100%
100%
100%
Beijing Jiaxin Haoyuan Information Technology Company Ltd. (PRC)
Shenzhen ZhongChengTai Insurance Brokerage Co., Ltd. (PRC)
Qunar.com (Tianjin) International Travel Agency Co., Ltd.
100%
100%
Qingdao Yi Lu Tong Xing International Travel Co., Ltd (PRC)
Beijing Jin Du Yuan You Information Technology Company Ltd. (PRC)
Equity Interest
Contracts with shareholders of Qunar.com Beijing Information Technology Company Limited (PRC), i.e. the "VIE", relating to governance of, and rights over, the VIE.
Contract relating to transfer of assets and provision of services, software licenses and equipment.

D. PROPERTY, PLANT AND EQUIPMENT

Our headquarters is located in Beijing, China, where we leased approximately 57,000 square meters of office space as of December 31, 2015. We have also leased a number of other offices across China and in Hong Kong for our sales force, with an aggregate office space of approximately 40,000 square meters. The terms of our leases range from four months to five years. Each of the lessors for our leased premises either has a valid title to the property or has proper authorization from the title holder to sublease the property. Our servers are hosted at internet data centers owned by, and located along the major transmission backbones of, leading domestic telecommunications carriers in China. Our hosting services agreements typically have a term of one year, with an automatic renewal clause and subject to early termination. We believe that we will be able to obtain adequate facilities and servers to accommodate our future expansion.

Item 4A. UNRESOLVED STAFF COMMENTS

None.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 3. Key Information—D. Risk Factors" or in other parts of this annual report on Form 20-F.

A. OPERATING RESULTS

Revenues

We generated revenues primary from our flight and flight related services and accommodation reservation services as well as from display advertising services and other services. The following table sets forth the revenues generated from each source, both in absolute amount and as a percentage of total revenues for the periods indicated.

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Revenues:							
Flight and flight related services	551,122	64.8	1,171,229	66.7	2,206,948	340,694	52.9
Accommodation reservation services	194,030	22.8	347,281	19.8	1,472,925	227,380	35.3
Display advertising services	63,503	7.5	87,894	5.0	117,945	18,208	2.8
Other services	42,267	4.9	150,351	8.5	373,394	57,642	9.0
Total revenues	**850,922**	**100.0**	**1,756,755**	**100.0**	**4,171,212**	**643,924**	**100.0**

Before 2015, we did not take ownership of the products and services being sold and acted as an agent only in substantially all of our transactions. Accordingly, we recognized revenues primarily based on commissions earned rather than sales prices. Under our merchant model program, we started to pre-purchase air tickets and hotel rooms from airlines and hotels for sale to end users in 2015. In such transactions, we act as a principal and recognize revenues on a gross basis. Revenues recognized on a gross basis represent the sales prices of the air tickets and hotel rooms sold to end users. The costs of the air tickets and hotel rooms paid by us to airlines and hotels are recorded as cost of revenue in our consolidated statements of comprehensive loss.

Flight and flight related services. Revenues from our flight and flight related services business have been our primary source of revenues since our inception. In 2013, 2014 and 2015, revenues from our flight and flight related business accounted for RMB551.1 million, RMB1,171.2 million and RMB2,206.9 million (US$340.7 million), respectively, or 64.8%, 66.7% and 52.9%, respectively, of our total revenues.

Accommodation reservation services. Revenues from our accommodation reservation services business have grown rapidly since early 2015. In 2013, 2014 and 2015, revenues from our accommodation reservation business accounted for RMB194.0 million, RMB347.3 million and RMB1,472.9 million (US$227.4 million), respectively, or 22.8%, 19.8% and 35.3%, respectively, of our total revenues. We launched our merchant model program in 2015 in order to secure unique products and strategic inventories. Excluding revenues generated from the merchant model program, where revenues are booked on a gross basis, accommodation reservation revenues were RMB956.9 million (US$147.7 million), an increase of 175.5% year-on-year.

Display advertising services. Revenues from our display advertising services are primarily derived from graphical advertisements placed on our platforms. Since 2012, we have been charging for our display advertising services on a cost-per-time basis to be in line with the market practice for online advertising in China. We price our display advertising service based on various factors, including channel, size and page position of advertisement and frequency and duration of display.

Other services. We also generated a small portion of revenues from other services, which primarily consists of commissions received for sales of packaged-tour, tickets, train and bus tickets.

Cost of Revenues

Cost of revenues primarily consists of (i) online payment processing fees, (ii) data acquisition costs incurred when we retrieve air ticket information from Flight TSPs, (iii) bandwidth and server hosting costs, (iv) depreciation expenses, (v) other miscellaneous costs and (vi) sales tax and related surcharges imposed by the government,(vii) cost of products. The following table sets forth the components of our cost of revenues by amount and as a percentage of total revenues for the periods presented:

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	% of Revenues	RMB	% of Revenues	RMB	US$	% of Revenues
	(in thousands, except percentages)						
Cost of products	—	—	—	—	715,300	110,423	17.1
Online payment processing fees	—	—	125,240	7.1	194,229	29,984	4.7
Data acquisition costs	39,740	4.7	61,787	3.5	84,583	13,057	2.0
Bandwidth and server hosting costs	11,610	1.4	28,097	1.6	44,222	6,827	1.1
Depreciation	9,302	1.1	17,821	1.0	44,742	6,907	1.1
Others	29,102	3.4	57,063	3.3	93,915	14,497	2.3
Sales tax and related surcharges	83,641	9.8	164,894	9.4	256,246	39,558	6.1
Total cost of revenues	**173,395**	**20.4**	**454,902**	**25.9**	**1,433,237**	**221,253**	**34.4**

Cost of products. Starting in 2015, we started to pre-purchase air tickets and hotel rooms from airlines and hotels for sale to end users. For such transactions, we recognize revenues on a gross basis for the sales prices of the air tickets and hotel rooms sold to end users, and we record the costs of the air tickets and hotel rooms paid by us to the airlines and hotels as cost of revenue.

Online payment processing fees. Online payment processing fees are the charges we pay to banks or third payment platforms for collecting payments from end users on our behalf. We have integrated online payment facilitating service as part of our services platform starting from early 2014. Online payment processing fees are recorded as cost of revenue as incurred. In 2015, our online payment processing fees increased as result of the increase in trading transaction volume compared with 2014. We expect that our online payment processing fees will continue to increase in absolute amounts as our trading volume continues to grow. However, the increase in online payment processing fees is correspondingly lower and thus such costs do not increase at the same rate at which revenues increase.

Data acquisition costs. We incur data acquisition costs when we retrieve information from Flight TSPs to confirm the availability and authenticity of air tickets searched on our platform. Our data acquisition costs increased significantly from 2013 to 2015, as a result of the increase in the search queries for air tickets. We expect that our data acquisition costs will increase in absolute amounts as our air ticket search volume continues to grow. However, the increase in data acquisition costs is correspondingly lower and thus such costs do not increase at the same rate as revenues increase.

Bandwidth and server hosting costs. Bandwidth and server hosting costs are the fees we pay to service providers for telecommunications services and for hosting our servers at their internet data centers. We expect our annual bandwidth and server hosting costs to increase in absolute amounts primarily due to an increased need for bandwidth and server hosting services to support the growth of our user traffic on our platform. However, the increase in bandwidth and server hosting costs is correspondingly lower and thus such costs do not increase at the same rate as revenues increase.

Depreciation. We include depreciation expense for servers and other equipment that is directly related to our business operations and technical support in our cost of revenues. Our depreciation expense increased significantly from 2013 to 2015 as we acquired more servers and other equipment to accommodate increased user activities. We expect our depreciation and amortization expense to increase in absolute amounts as we continue to invest in additional servers and other equipment to accommodate the growth of our user base. However, the increase in depreciation costs is correspondingly lower and thus such costs do not increase at the same rate as revenues increase.

Others. Our other cost of revenue consists of primarily service fees paid to third-party service providers.

Sales tax and related surcharges. We were subject to a 5.0% business tax prior to September 2012 and a 6.0% value-added tax thereafter, plus certain related surcharges on revenues from flight and flight related services, accommodation reservation services, display advertising services and other services in China. With respect to revenues from display advertising services in China, we are subject to an additional 3% culture-related tax and other related surcharges. Sales tax and related surcharges are recognized when revenue is earned.

Operating Expenses

Our operating expenses primarily consist of (i) product development expenses, (ii) product sourcing expenses, (iii) sales and marketing expenses and (iv) general and administrative expenses. The following table sets forth the components of our operating expenses in absolute amount and as a percentage of total revenues for the periods indicated.

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	% of Revenues	RMB	% of Revenues	RMB	US$	% of Revenues
	(in thousands, except percentage)						
Operating expenses:							
Product developments	319,021	37.5	774,511	44.1	2,578,528	398,056	61.8
Product sourcing	67,271	7.9	316,903	18.0	785,385	121,243	18.8
Sales and marketing	315,506	37.1	890,861	50.7	2,671,637	412,430	64.0
General and administrative	129,209	15.2	399,914	22.8	3,388,467	523,089	81.3
Online marketing expense for Baidu Zhixin Cooperation	—	—	699,983	39.8	37,178	5,739	0.9
Contract termination loss provision	—	—	64,485	3.7	—	—	—
Total operating expenses	**831,007**	**97.7**	**3,146,657**	**179.1**	**9,461,195**	**1,460,557**	**226.8**

Product developments expenses. Product developments expenses are primarily related to personnel cost, including: (i) salaries, welfares and bonuses, share-based compensation and other costs associated with the development and improvement of our technologies; and (ii) office rental and related expenses for our product development team. We expect our product development expenses to increase in absolute amounts as our business continuously grows.

Product sourcing expenses. Product sourcing expenses are mainly comprised of salaries, benefits and bonuses, share-based compensation and other headcount-related expenses of personnel who develop our travel suppliers' network. We expect our product sourcing expenses to increase in absolute amounts as our business continuously grows.

Sales and marketing expenses. Sales and marketing expenses are comprised of: (i) online marketing expenses incurred by us, primarily in connection with the purchase of travel-related keywords and paid links from general search engines and other online marketing channels and expenses for cooperation with app stores and mobile browsers to drive mobile downloads; (ii) salaries, benefits and bonuses, share-based compensation and other headcount-related expenses for personnel including employees for our call center, photographers and editors, (iii) offline campaign expenses incurred by us, primarily in connection with consumer incentives and expenses associated with deploying temporary staff on the ground, and (iv) other advertising expenses to promote our business. We expense advertising expenses as incurred. We expect our sales and marketing expenses to increase in absolute amounts as our business continuously grows.

General and administrative expenses. General and administrative expenses consist of: (i) salaries, benefits and bonuses, share-based compensation and other headcount-related expenses associated with the administration of our business, (ii) costs of third-party professional services and (iii) office expenses. We expect our general and administrative expenses to increase in absolute amounts as our business continuously grows.

Online marketing expense for Baidu Zhixin Cooperation. Online marketing expenses from the Zhixin Cooperation Agreement were non-cash expenses and recognized ratably over the period of service required to earn each tranche of warrants based upon the estimated exercisable number of the Baidu warrants and without any downward adjustments if we utilize the Zhixin traffic in full, and the fair value of the warrants at each reporting date. On June 1, 2015, we and Baidu agreed to terminate the Zhixin Cooperation Agreement. Baidu paid us a cash consideration of RMB207.0 million (US$32.0 million) in connection with the termination. The consideration received from Baidu as our vendor was presumed to be a reduction of the price of the services provided by Baidu. The online marketing expense for the Baidu Zhixin Cooperation was RMB700.0 million and RMB37.2 million (US$5.7 million) for the years ended December 31, 2014 and 2015, respectively, of which nil and RMB143.6 million (US$22.2 million) were recognized as deductions to online marketing expense, respectively, as a result of the consideration received.

Our operating expenses include share-based compensation expenses. The following table sets forth the allocation of our share-based compensation expenses among different operating expense components.

	For the Year Ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
	(in thousands)			
Product developments	20,784	59,884	1,299,625	200,628
Product sourcing	2,117	2,958	151,864	23,444
Sales and marketing	5,417	12,565	310,604	47,949
General and administrative	35,389	190,963	3,020,480	466,281
Total share-based compensation expenses	**63,707**	**266,370**	**4,782,573**	**738,302**

Taxation

Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payment of dividends to our shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong. Our subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at a rate of 16.5%.

PRC. Under the EIT Law, domestic enterprises and foreign investment enterprises, or FIEs, such as our WFOE and affiliated PRC entities, are subject to a unified 25% enterprise income tax rate, except for certain entities that enjoyed the tax holidays.

Both the WFOE and our VIE were recognized as qualified HNTEs in December 2009 and hence were eligible for a 15% preferential tax rate for 2010 and 2011. The HNTE qualifications for both entities were renewed first in October 2012 and then in July 2015, and hence the WFOE and our VIE are eligible for a 15% preferential tax rate effective from 2012 to 2017. If the WFOE and our VIE continue to meet the HNTE requirements as recognized by the government, the preferential tax status may be further renewed in the future.

Our VIE's subsidiaries were subject to EIT at a rate of 25% for the years ended December 31, 2013, 2014 and 2015.

Under the EIT Law, dividends paid by FIEs out of profits earned after January 1, 2008 to non-PRC tax resident enterprises are subject to a PRC withholding tax of 10%. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income entered into between Hong Kong and the PRC and other related PRC laws and regulations, such rate is lowered to 5% if a Hong Kong resident enterprise owns over 25% of the equity interest of a PRC resident enterprise during the 12 consecutive months preceding the receipt of the dividends. Our PRC subsidiary is currently wholly owned by our Hong Kong subsidiary. However, there is no assurance the PRC tax authorities will agree with our self-assessment that our Hong Kong subsidiary as the beneficial owner of the dividends paid by our PRC subsidiary and thus grant approvals for the 5% withholding tax rate on dividends received by our Hong Kong subsidiary from our PRC subsidiary.

The EIT Law also provides that enterprises established under the laws of foreign countries or regions and whose "de facto management body" is located within the PRC are considered PRC tax resident enterprises and subject to PRC income tax at the rate of 25% on worldwide income. The term "de facto management body" means an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties and other aspects of an enterprise. We do not believe we are currently a PRC tax resident. However, it remains unclear how PRC tax authorities will determine the tax residency status of companies like us. If we are deemed as a PRC tax resident, we would be subject to 25% PRC enterprise income tax on our global income under the EIT Law.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect, among other things: (i) the reported amounts of assets and liabilities, (ii) disclosure of contingent assets and liabilities at the end of each reporting period and (iii) the reported amounts of revenue and expenses during each reporting period. We continually evaluate these estimates and assumptions based on historical experience, knowledge and assessment of current business and other conditions, and expectations regarding the future based on available information and reasonable assumptions, which together form a basis for making judgments about matters not readily apparent from other sources. Since our financial reporting process inherently relies on the use of estimates and judgments, actual results could differ from what we expected. Some of our accounting policies require higher degrees of estimation and judgment than others in their application. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions. We consider the policies discussed below to be critical to an understanding of our financial statements as their application places significant demands on the judgment of our management.

Revenue recognition

Our revenue is primarily derived from flight and flight related services, accommodation reservation services, display advertising services and other services. Revenue is recognized when persuasive evidence of an arrangement exists, service has been performed, the price is fixed or determinable and the collectability of the related fee is reasonably assured in accordance with ASC 605, *Revenue Recognition*, or ASC 605. Typically, we enter into contracts with relevant parties to establish significant terms such as the price and specific services to be provided. We assess the creditworthiness of our customers prior to signing the contracts to ensure collectability is reasonably assured. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as customer advances and deposits.

When flight and flight related services, display advertising services and other services arrangements with a customer involve "multiple elements" as defined in ASC 605, the total arrangement consideration is allocated to the separate deliverables on the basis of their relative selling price. Relative selling price is based on vendor-specific objective evidence, or VSOE, if available, third-party evidence, or TPE, if VSOE is not available or the management's best estimate of selling price, or BESP, if neither VSOE nor TPE are available. In determining the BESP for each deliverable, we consider the relevant overall pricing model and objectives, as well as market conditions that may impact the price at which we would transact if the deliverables are sold regularly on a standalone basis. In addition, the consideration allocated to the delivered element is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions. We monitor the conditions that affect our determination of selling price for each deliverable and reassess such estimates periodically.

Flight and flight related services

Revenues from flight and flight related services mainly represent commissions from reservations of air tickets and related services. We receive fees from OTAs and airlines for reservations and sales of flight related services, including the sales of insurance policies on our website and mobile platform. Fees from flight and flight related services are recognized as revenue, net of estimated cancellations, upon the issuance of flight tickets by OTAs or airlines. Estimated cancellations were insignificant for the years ended December 31, 2013, 2014 and 2015. We consider the above arrangements in accordance with ASC 605 and have concluded that because we act as an agent, we do not assume inventory risks. Therefore, we present revenues from such transactions on a net basis in the consolidated statements of comprehensive loss.

For the year ended December 31, 2015, we pre-purchased air tickets from airlines to sell on our website and mobile platform. In such transactions, we act as the principal and present our revenues on a gross basis. Such revenue recognized on a gross basis represents the price of the air tickets sold to our customers and the cost of the air tickets paid to the airlines is recorded as cost of revenues in the consolidated statements of comprehensive loss.

Accommodation reservation services

We receive commissions from hotels and OTAs for hotel room reservations through our website and mobile platform. Fees from hotel reservation services are recognized when the reservation of rooms are made or after the hotel confirms that the end user has completed his or her stay, depending on the terms and conditions of the underlying contract. When our contracts with the hotels state that we earn the fees regardless of whether the end users complete their stay at the hotels, fees are recognized upon the reservation of the hotel room. We present revenues from such transactions on a net basis where we act as an agent and do not assume inventory risks for such revenues recorded.

For the year ended December 31, 2015, we pre-purchased rooms from hotels to sell on our website and mobile platform. In such transactions, we act as the principal and present revenues on a gross basis. Such revenue recognized on a gross basis represents the price of the hotel rooms sold to our customers and the cost of the rooms paid to the hotels is recorded as cost of revenues in the consolidated statements of comprehensive loss.

Display advertising services

The majority of display advertising service arrangements involves multiple deliverables such as banner advertisements, logos and other media insertions that are delivered over the same period or different periods of time. We regularly provide display advertising services at a discount to our standard rates, which is consistent with the industry practice in the PRC. These discounts are in the form of free advertising, of which the duration and other terms of services are specified as part of the revenue contract. The banner advertisements, logos, other media insertions and free elements are each considered to be a separate deliverable in the multiple element arrangements.

Revenue is recognized ratably when the deliverables are published over the relevant display period.

Rebates provided to customers of display advertising services

We provide cash incentives in the form of rebates to certain advertising agencies based on the cumulative advertising volume during each fiscal year. Such rebates are recorded as a reduction of revenue in the period such revenue is recognized. Rebates to advertising agencies amounted to RMB7.9 million, RMB11.9 million and RMB19.2 million (US$3.0 million) for the years ended December 31, 2013, 2014 and 2015, respectively.

Other services

The other services primarily represent commissions received from OTAs and local tour agencies for reservation of vacation packages on our website, reservation of railway tickets and car tickets and third-party online payment platforms for payments originating from user online bookings through our website or mobile platform. The commission is based on a contracted percentage of the total payments processed. Revenue is recognized on a net basis, when the four revenue recognition criteria in accordance with ASC 605 as shown above have been met. When we act as the principal in selling pre-purchased services such as vacation packages assuming inventory risk, we present revenues on a gross basis as other services in the consolidated statements of comprehensive loss.

Revenues from flight and flight related, accommodation reservation and other services booked on a gross basis amounted to RMB604.5 million (US$93.3 million) for the year ended December 31, 2015.

Coupon programs

During 2015, we launched various coupon programs through which we offer incentives to end users primarily under various arrangements where we act as an agent to our customers, including OTA, airlines and hotels:

a. Red pocket coupons

We issue “red pocket coupons” to end users when they complete certain acts that are unrelated to purchases of customer products on our mobile platform, or, from time to time, without any actions required from the end users. The red pocket coupons can be used primarily in future purchases of eligible customer products offered on our mobile platform. The red pocket coupons expire at the end of the quarter during which they are issued.

b. Consumption points program

We issue “consumption points” that the end users accumulate from purchases of customer products offered on our website and mobile platform. Consumption points are convertible into red pocket coupons that can be used to reduce the purchase price of eligible customer products offered on our mobile platform in future purchases. The consumption points can be converted into red pocket coupons, which expire at the end of the quarter during which such conversion is made.

c. Product-specific coupons

Product-specific coupons for car service or movie tickets, issued with or without the end users completing purchases on our platforms, can be used against future purchases of the same products to reduce purchase price. The product-specific coupons generally expire within 3 months from issuance.

As the end users are required to make future purchases of customer products on our website or mobile platform to redeem the coupons, we recognize the amount of coupons redeemed by the end users as marketing expense when purchases are made, whereas we present coupons issued to end users in connection with current sales to customers as a reduction of revenue. When coupons are redeemed in sales under arrangements where we act as principal, the amount of coupons redeemed by customers is presented as a reduction of revenue.

Product developments

Product developments expenses primarily consist of salaries and related compensation for product developments personnel who are responsible for developing, improving and maintaining our mobile and website platforms. Product development expenses are recognized as incurred. We recognize website and software development costs in accordance with ASC 350, *Intangibles-Goodwill and Other*. We expense all costs that are incurred in connection with the planning and implementation phases of development and costs that are associated with repair or maintenance of the existing websites and website contents or the development of software for internal use. We capitalize software development costs that fulfill the capitalization criteria. As of December 31, 2015, there were no costs relating to website and software development that were subject to capitalization.

Income taxes

We follow the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. We record a valuation allowance to offset deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

In accordance with the provisions of ASC 740, *Income taxes*, we recognize in our financial statements the benefit of a tax position if the tax position is more likely than not to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. We estimate our liability for unrecognized tax benefits, which may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from our estimates. As each tax audit is concluded, adjustments, if any, are recorded in our financial statements. Additionally, in future periods, changes in facts, circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. We have elected to classify interest and penalties related to unrecognized tax benefits in the consolidated statements of comprehensive loss as income tax expense.

Share-based compensation

Options granted to employees

We apply ASC 718, *Compensation — Stock Compensation,* or ASC 718, to account for our employee share-based compensation.

In accordance with ASC 718, we determine whether an award should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees classified as equity awards are recognized in the financial statements based on their grant date fair values. Specifically, the grant date fair value of share options are calculated using an option pricing model. We have elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions, provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date.

For certain share options granted to corporate headquarter employees, there is a performance target that affects the exercisability of the award, which can be achieved after the requisite service period. That is, the employee would be eligible to vest in the award regardless of whether the employee is rendering service on the date the performance target is achieved. We account for the performance target as a performance condition. As such, the performance target shall not be reflected in estimating the fair value of the award at the grant date. Compensation cost shall be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period for which the requisite service already has been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period.

The service inception date is the date at which the requisite service period begins. If it is determined that the service inception date precedes the grant date, recognition of compensation cost for the period between the service inception date and the grant date is based on the fair value of the award at the reporting dates that occur before the grant date. The service inception date precedes the grant date if an award is authorized, the recipient begins to provide services and (a) either the award's terms do not include a substantive future requisite service condition that exists at the grant date or (b) the award contains a market or performance condition that, if not satisfied during the service period preceding the grant date and following the inception of the arrangement, results in forfeiture of the award. An award is authorized when all approval requirements are completed, including action by the Board of Directors approving the award and the number of options or other equity instruments to be issued to individual employees.

To the extent the required vesting conditions are not met, resulting in the forfeiture of the share-based awards, previously recognized compensation expenses relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent we revise these estimates in the future, the share-based compensation expenses could be materially impacted in the period of revision and in following periods.

The Black-Scholes-Merton option pricing model was applied in determining the estimated fair value of the options granted to employees.

According to ASC 718, a change in any of the terms or conditions of stock options shall be accounted for as a modification of the plan. Therefore, we calculate incremental compensation cost of a modification as the excess of the fair value of the modified option over the fair value of the original option immediately before its terms are modified, measured based on the share price and other pertinent factors at the modification date. For vested options, we would recognize incremental compensation cost in the period the modification occurs and for unvested options, we would recognize, over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date.

Warrants issued to non-employees

We accounted for the warrants issued to non-employees following the measurement guidance in ASC505-50, *Equity, Equity-Based Payments to Non-Employees* and classified the warrants issued as a liability pursuant to the classification guidance in ASC 505-50-25-10 and ASC 718-10-25-11.

For the warrants issued to non-employees that is classified as a liability, it is measured at fair value at each reporting date until the final measurement date, which is the date of completion of services required to earn the warrants. The cost associated with the warrants issued is recognized ratably over the period of service required to earn each tranche of warrants. Upon vesting, the warrants should continue to be accounted for as a liability in accordance with ASC 480-10-25-8 and measured in accordance with ASC 480-10-30 and ASC 480-10-35 at every reporting period until the warrants are settled. Changes in the fair value of the vested warrants will be recognized in earnings in the accompanying consolidated statements of comprehensive loss.

Contingencies

When a loss contingency is at least reasonably possible, we disclose an estimate of the loss or range of loss if such estimate can be made and is material; or we state that such estimate is immaterial if it can be estimated but is immaterial; or we disclose that an estimate cannot be made. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involve complex judgments about future events. Management is often unable to estimate the loss or a range of loss, particularly where (i) the amounts including damages sought are indeterminate, (ii) the proceedings are in the early stages, or (iii) there is a lack of clear or consistent interpretation of laws specific to the matter among different jurisdictions. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including eventual loss, fine, penalty or business impact, if any.

Convertible debt instruments

ASC topic 815, *Derivatives and Hedging*, or ASC 815, requires all contracts which meet the definition of a derivative to be recognized on the balance sheet as either assets or liabilities and be recorded at fair value. Changes in the fair value of derivative financial instruments are recognized periodically in earnings if they do not qualify for hedge accounting. We consider the Cash Conversion subsection under ASC subtopic 470-20, *Debt with Conversion and Other Options*, or ASC 470-20, applicable for our long-term debt that may be settled in cash or other assets upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative instrument under ASC 815. ASC470-20 requires a convertible debt instrument to be separated into its liability and equity components by allocating the issuance proceeds to each of these components. The debt component is initially measured at its fair value considering all relevant terms except the conversion option. The equity component is classified as stockholders' equity (deficit) and measured at its residual amount. The resulting excess of the principal amount of the liability component over its carrying amount is amortized to interest cost using interest method. The equity component is not re-measured as long as it continues to meet the equity classification.

If a convertible debt instrument within the scope of the Cash Conversion Subsection contains embedded features other than the embedded conversion option, we apply ASC 815 to determine if any of those features must be separately accounted for as a derivative instrument. Transaction costs incurred with third parties other than investors and are directly related to the issuance of convertible debt instruments within the scope of the Cash Conversion Subsection are allocated to the liability and equity components in proportion to the allocation of proceeds and accounted for as debt and equity issuance costs, respectively.

If an instrument within the scope of the ASC 470-20 is derecognized, we allocate the consideration transferred and transaction costs incurred to the extinguishment of the liability component and the reacquisition of the equity component.

To account for the extinguishment of an instrument, an amount equal to the fair value of the liability component immediately prior to extinguishment is deducted from the fair value of the total settlement consideration transferred and allocated to the liability component. Any difference between the amount allocated to the liability and the net carrying amount of the liability component, including any unamortized debt issue costs, is recognized in earnings as a gain or loss on debt extinguishment. Any remaining consideration is allocated to the reacquisition of the equity component and recognized as a reduction of shareholders' equity.

Intangible assets

Intangible assets with finite lives are carried at cost less accumulated amortization and are amortized using the straight-line method over the estimated economic lives. As of December 31, 2015, the finite intangible asset consisted of our software platform with the estimated economic life of 8 years, which was acquired in 2015.

As of December 31, 2015, our intangible assets with indefinite lives mainly consisted of an acquired domain name which is measured on initial recognition at cost. The domain name may be used indefinitely without significant costs of renewal. The expected cash flows generated from the domain name is for an indefinite period. As a result, the domain name has been determined to have an indefinite useful life. The domain name is not amortized, but instead tested for impairment at least annually, or more frequently if certain circumstances indicate a possible impairment may exist in accordance with ASC subtopic 350-30, *Intangibles-Goodwill and other: General Intangibles Other than Goodwill*, or ASC 350-30. We perform our annual impairment assessment for acquired indefinite intangible assets in December of each year.

Long-term investments

Our long-term investments consist of cost method investments and equity method investments.

In accordance with ASC subtopic 325-20, *Investments-Other: Cost Method Investments*, or ASC 325-20, with respect to investment made in an investee over which we do not have significant influence and which do not have readily determinable fair value, we carry the investment at cost and only adjust for other-than-temporary declines in fair value and distributions of earnings that exceed our share of earnings since our investment. We regularly evaluate the impairment of the investment based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee's cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss recognized in earnings is equal to the excess of the investment's cost over its fair value at the balance sheet date of the reporting period for which the assessment is made. The fair value would then become the new cost basis of investment.

Cost method accounting is also applied to investments that are not considered as "in-substance" common stock investments, and do not have readily determinable fair values.

Investments in entities in which we can exercise significant influence but do not own a majority equity interest or control in are accounted for using the equity method of accounting in accordance with ASC topic 323, *Investments-Equity Method and Joint Ventures*, or ASC 323. Under the equity method, we record such investment at its cost and the difference between scuh cost and the fair value of the underlying equity in the net assets of the equity investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. We subsequently adjust the carrying amount of the investment to recognize our proportionate share of each equity investee's net income or loss into earnings after the date of investment. We will discontinue applying the equity method if an investment (and additional financial supports to the investee, if any) has been reduced to zero. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

Results of Operations

The following table sets forth a summary of our consolidated results of operations. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
	(in thousands)			
Consolidated Statement of Operations Data:				
Revenues(*):				
Flight and flight related services	551,122	1,171,229	2,206,948	340,694
Accommodation reservation services	194,030	347,281	1,472,925	227,380
Display advertising services	63,503	87,894	117,945	18,208
Other services	42,267	150,351	373,394	57,642
Total revenues	**850,922**	**1,756,755**	**4,171,212**	**643,924**
Cost of revenues	(173,395)	(454,902)	(1,433,237)	(221,253)
Gross profit	**677,527**	**1,301,853**	**2,737,975**	**422,671**
Operating expenses				
Product developments(1)	(319,021)	(774,511)	(2,578,528)	(398,056)
Product sourcing(1)	(67,271)	(316,903)	(785,385)	(121,243)
Sales and marketing(1)	(315,506)	(890,861)	(2,671,637)	(412,430)
General and administrative(1)	(129,209)	(399,914)	(3,388,467)	(523,089)
Online marketing expenses for Baidu Zhixin Cooperation	—	(699,983)	(37,178)	(5,739)
Contract termination loss provision	—	(64,485)	—	—
Operating loss	**(153,480)**	**(1,844,804)**	**(6,723,220)**	**(1,037,886)**
Interest income (expenses), net	4,757	31,329	(110,233)	(17,017)
Foreign exchange gain (loss), net	1,469	(20,739)	(64,106)	(9,896)
Other income (loss), net	1,057	4,873	(25,161)	(3,884)
Fair value change in warrant liability	—	—	(397,987)	(61,439)
Loss before income tax	**(146,197)**	**(1,829,341)**	**(7,320,707)**	**(1,130,122)**
Income tax expense	(41,092)	(17,560)	(22,784)	(3,517)
Equity in loss of affiliated companies, net of tax	—	—	(5,840)	(902)
Net loss	**(187,289)**	**(1,846,901)**	**(7,349,331)**	**(1,134,541)**
Net loss attributable to noncontrolling interests	—	—	(6,622)	(1,022)
Net loss attributable to Qunar Cayman Islands Limited's shareholders	**(187,289)**	**(1,846,901)**	**(7,342,709)**	**(1,133,519)**
Non-GAAP Financial Data				
Adjusted net loss(2)	(117,662)	(812,759)	(2,092,168)	(322,975)
Adjusted EBITDA(2)	(51,669)	(743,151)	(1,818,697)	(280,759)
Adjusted operating loss(2)	(83,853)	(810,662)	(1,903,469)	(293,845)

* Starting from January 2015, we present our revenues by the primary business lines of flight and flight related services, accommodation reservation services, display advertising services and other services. Comparative amounts for the prior periods have been reclassified to conform to the current period presentation.

(1) Share-based compensation expenses were allocated in the operating expenses as follows:

	For the Year Ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
		(in thousands)		
Product developments	20,784	59,884	1,299,625	200,628
Product sourcing	2,117	2,958	151,864	23,444
Sales and marketing	5,417	12,565	310,604	47,949
General and administrative	35,389	190,963	3,020,480	466,281
Total share-based compensation expenses	**63,707**	**266,370**	**4,782,573**	**738,302**

(2) For discussions and reconciliations of these non-GAAP measures, see "Item 3. Key Information—A. Selected Financial Data—Non-GAAP Financial Measures."

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Total Revenues. Our total revenues increased by 137.4 % from RMB1,756.8 million in 2014 to RMB4,171.2 million (US$643.9 million) in 2015. This increase was primarily due to increases in flight and flight related services revenue and accommodation reservation services revenue.

Flight and flight related revenues. Our flight and flight related revenue increased by 88.4%, from RMB1,171.2 million in 2014 to RMB2,206.9 million (US$340.7 million) in 2015. Year-on-year flight and flight related revenue growth was primarily due to increases in revenue per ticket and in TEFT.

Accommodation reservation revenues. Our accommodation reservation revenue increased from RMB347.3 million in 2014 to RMB1,472.9 million (US$227.4 million) in 2015, an increase of 324.1% year-on-year. Excluding revenues generated from our merchant model program, where revenues were booked on a gross basis, accommodation reservation revenues were RMB956.9 million (US$147.7 million) in 2015, an increase of 175.5% year-on-year. The growth in our year-on-year accommodation reservation revenue was primarily due to an increase in TEHR.

Display advertising revenues. Our display advertising revenues increased by 34.2%, from RMB87.9 million in 2014 to RMB117.9 million (US$18.2 million) in 2015, primarily due to increases in the average spending per customer from RMB482,934 in 2014 to RMB675,227 (US$104,237) in 2015.

Other revenues. Our other revenues increased by 148.3% from RMB150.4 million in 2014 to RMB373.4 million (US$57.6 million) in 2015, primarily due to increases in packaged tour services revenue and tickets revenue.

Cost of revenues. Our cost of revenues increased by 215.1%, from RMB454.9 million in 2014 to RMB1,433.2 million (US$221.3 million) in 2015, primarily due to the cost of products incurred by our merchant model program starting in 2015, and increases in online payment processing fees and sales tax and related surcharges.

Cost of products. Our cost of products represents the costs of the air tickets and hotel rooms paid by us to the airlines and hotels, which we began to incur in 2015 when we started our merchant model program.

Online payment processing fees. Our online payment processing fees, which we began to incur since the first quarter of 2014, increased by 55.1%, from RMB125.2 million in 2014 to RMB194.2 million (US$30.0 million) in 2015, as a result of an increase in trading transaction volume.

Data acquisition costs. Our data acquisition costs increased by 36.9 %, from RMB61.8 million in 2014 to RMB84.6 million (US$13.1 million) in 2015, as a result of an increase in our total number of flight search queries.

Bandwidth and server hosting costs. Our bandwidth and server hosting costs increased by 57.4 %, from RMB28.1 million in 2014 to RMB44.2 million (US$6.8 million) in 2015, as a result of the addition of server hosting and bandwidth to support the growth of our user traffic and our services.

Depreciation. Our depreciation costs increased by 151.1%, from RMB17.8 million in 2014 to RMB44.7 million (US$6.9 million) in 2015, primarily due to the depreciation of additional servers we have acquired to support our business expansion.

Others. Other cost of revenues increased by 64.6%, from RMB57.1 million in 2014 to RMB93.9 million (US$14.5 million) in 2015, primarily due to an increase in short-message service fees that resulted from increased transaction volume.

Sales tax and related surcharges. Our sales tax and related surcharges increased by 55.4%, from RMB164.9 million in 2014 to RMB256.2 million (US$39.6 million) in 2015, which was due to the increase in our total revenues.

Operating Expenses. Our total operating expenses increased by 200.7%, from RMB3,146.7 million in 2014 to RMB9,461.2 million (US$1,460.6 million) in 2015, primarily due to increases in general and administrative expenses, product developments expenses and product sourcing expenses, which were partly offset by the decrease in online marketing expense for the Baidu Zhixin Cooperation.

Product developments expenses. Our product developments expenses increased by 232.9%, from RMB774.5 million in 2014 to RMB2,578.5 million (US$398.1 million) in 2015, primarily due to a significant increase in share-based compensation expenses resulting from issuances under our new 2015 share incentive plan and the employee share exchange program, and an increase in salary, welfare and other expenses associated with headcount increases.

Product sourcing expenses. Our product sourcing increased by 147.8%, from RMB316.9 million in 2014 to RMB785.4 million (US$121.2 million) in 2015, primarily due to a significant increase in share-based compensation expenses resulting from issuances under our new 2015 share incentive plan and employee share exchange program, and an increase in product sourcing headcount

Sales and marketing expenses. Our sales and marketing expenses increased by 199.9%, from RMB890.9 million in 2014 to RMB2,671.6 million (US$412.4 million) in 2015, primarily due to a significant increase in share-based compensation expenses resulting from issuances under our new 2015 share incentive plan and employee share exchange program, stepped up discretionary expenditures to acquire new mobile users through offline channels, and to a lesser degree due to an increase in online marketing expenses as well as salary and welfare expenses as a result of increased headcount. The headcount expenses under sales and marketing were primarily expenses related to personnel with operational functions, including our customer service staff, photographers, editors, and staff responsible for data analysis.

General and administrative expenses. Our general and administrative expenses increased by 747.3%, from RMB399.9 million in 2014 to RMB3,388.5 million (US$523.1 million) in 2015, primarily as a result of a significant increase in share-based compensation expenses resulting from issuances under our new 2015 share incentive plan and employee share exchange program, and an increase in salary and welfare expenses associated with headcount increases.

Online marketing expense for Baidu Zhixin Cooperation. Online marketing expenses for the Baidu Zhixin Cooperation decreased by 94.7%, from RMB700.0 million 2014 to RMB37.2 million (US$5.7 million) in 2015. The decrease was primarily due to the termination of the Baidu Zhixin Cooperation in the second quarter of 2015.

Contract termination loss provision. A loss provision of RMB64.5 million was recorded in 2014 as a result of the legal proceedings between eLong and us. In 2015, the litigation was settled and no such provision was incurred.

Income Tax Expense. Our income tax expense was RMB22.8 million (US$3.5 million) in 2015, as compared with RMB17.6 million in 2014. The increase in income tax expense was primarily due to an increase in valuation allowance against certain deferred tax assets.

Net Loss. As a result of the foregoing, our net loss increased to RMB7,349.3 million (US$1,134.5 million) in 2015 from RMB1,846.9 million in 2014.

Adjusted Net Loss. Our adjusted net loss increased to RMB2,092.2 million (US$323.0 million) in 2015 from RMB812.8 million in 2014. See "Item 3. Key Information—A. Selected Financial Data—Non-GAAP Financial Measures" for discussions and reconciliations of non-GAAP measures.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Total Revenues. Our total revenues increased by 106.5% from RMB850.9 million in 2013 to RMB1,756.8 million in 2014. This increase was primarily due to increases in flight and flight related services revenue and accommodation reservation services revenue.

Flight and flight related revenues. Our flight and flight related revenue increased by 112.5%, from RMB551.1 million in 2013 to RMB1,171.2 million in 2014. Year-on-year flight and flight related revenue growth was primarily due to increases in revenue per ticket and TEFT.

Accommodation reservation revenues. Our accommodation reservation revenue increased by 79.0% from RMB194.0 million in 2013 to RMB347.3 million in 2014. Year-on-year accommodation reservation revenue growth was primarily due to increase in TEHR.

Display advertising revenues. Our display advertising revenues increased by 38.4%, from RMB63.5 million in 2013 to RMB87.9 million in 2014, primarily due to increases in the average spending per customer from RMB387,214 in 2013 to RMB482,934 in 2014.

Other revenues. Our other revenues increased by 255.7% from RMB42.3 million in 2013 to RMB150.4 million in 2014, primarily due to increases in packaged tour services and tickets revenue.

Cost of revenues. Our cost of revenues increased by 162.4%, from RMB173.4 million in 2013 to RMB454.9 million in 2014, primarily due to online payment processing fee recorded in cost of revenues and increases in data acquisition cost and sales tax and surcharges.

Online payment processing fees. Our online payment processing fees, which we began to incur since the first quarter of 2014, amounted to RMB125.2 million in 2014.

Data acquisition costs. Our data acquisition costs increased by 55.5%, from RMB39.7 million in 2013 to RMB61.8 million in 2014, as a result of an increase in our total number of flight search queries.

Bandwidth and server hosting costs. Our bandwidth and server hosting costs increased by 142.0%, from RMB11.6 million in 2013 to RMB28.1 million in 2014, as a result of the addition of server hosting and bandwidth to support the growth of our user traffic and our services.

Depreciation. Our depreciation costs increased by 91.6%, from RMB9.3 million in 2013 to RMB17.8 million in 2014, primarily due to the depreciation of additional servers we have acquired to support our business expansion.

Others. Other cost of revenues increased by 96.1%, from RMB29.1 million in 2013 to RMB57.1 million in 2014, primarily due to an increase in service fees.

Sales tax and related surcharges. Our sales tax and related surcharges increased by 97.1%, from RMB83.6 million in 2013 to RMB164.9 million in 2014, which was due to the increase in our total revenues.

Operating Expenses. Our total operating expenses increased by 278.7%, from RMB831.0 million in 2013 to RMB3,146.7 million in 2014, primarily due to online marketing expense in connection with the launch of our hotel direct business, contract termination loss provision in 2014 in connection with the legal proceedings between eLong and us and increases in our sales and marketing expenses, product development expenses, product sourcing expenses and general and administrative expenses.

Product developments expenses. Our product developments expenses increased by 142.8%, from RMB319.0 million in 2013 to RMB774.5 million in 2014, primarily due to an increase in salary, benefits and other headcount-related expenses associated with the growth of the product developments team.

Product sourcing expenses. Our product sourcing increased by 371.1%, from RMB67.3 million in 2013 to RMB316.9 million in 2014, primarily due to increases in salary and benefits in 2014 as a result of the increased headcount in our product sourcing force in 2014.

Sales and marketing expenses. Our sales and marketing expenses increased by 182.4%, from RMB315.5 million in 2013 to RMB890.9 million in 2014, primarily due to increased spending for the acquisition of user traffic to our mobile and website platform and an increase in salary and benefits in 2014 as a result of the increased headcount booked under the sales and marketing line in 2014.

General and administrative expenses. Our general and administrative expenses increased by 209.5%, from RMB129.2 million in 2013 to RMB399.9 million in 2014, primarily as a result of a substantial increase in share-based compensation expenses and an increase in salary and benefits resulting from increases in headcount and average salaries.

Online marketing expense for Baidu Zhixin Cooperation. Online marketing expenses for the Baidu Zhixin Cooperation for fiscal year 2014 were RMB700.0 million compared to nil for 2013, as it was launched on January 2014. Online marketing expenses from the Zhixin Cooperation Agreement were non-cash expenses and recognized ratably over the period of service required to earn each tranche of warrants based upon the estimated exercisable number of the Baidu warrants and the fair value of the warrants at each reporting date.

Contract termination loss provision. A loss provision was recorded in the amount of RMB64.5 million in 2014 as a result of the legal proceedings between eLong and us compared to nil in 2013.

Income Tax Expense. Our income tax expense was RMB17.6 million in 2014, as compared with RMB41.1 million in 2013. The decrease in income tax expense was primarily due to our decrease in taxable income as a result of increased loss before tax and partially offset by increased deemed profit arising from our travel-related services.

Net Loss. As a result of the foregoing, our net loss increased to RMB1,846.9 million in 2014 from RMB187.3 million in 2013.

Adjusted Net Loss. Our adjusted net loss increased to RMB812.8 million in 2014 from RMB117.7 million in 2013. See "Item 3. Key Information—A. Selected Financial Data—Non-GAAP Financial Measures" for discussions and reconciliations of non-GAAP measures.

Inflation

Inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the annual average percent changes in the consumer price index in China for 2013, 2014 and 2015 were increases of 2.6%, 2.0% and 1.4%, respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

B. LIQUIDITY AND CAPITAL RESOURCES

Cash Flows and Working Capital

Our principal sources of liquidity have been our sale of shares, cash generated from operating activities as well as the proceeds from our initial public offering in November 2013 and our offering of additional shares and convertible notes in June 2015. Our cash and cash equivalents consist of cash on hand and demand bank deposits and our short-term investment consists of low-risk investments with maturities between three months and one year when acquired. As of December 31, 2015, we had RMB6,929.8 million (US$1,069.8 million) in cash, cash equivalents, restricted cash, funds receivable and short-term investment.

We entered into a revolving credit facility agreement with Baidu with a principal amount of US$300.0 million on February 27, 2014. The agreement has a term of three years with an interest rate of 90% of the benchmark lending rate published by the People's Bank of China. We drew down an amount of RMB507.0 million (US$78.3 million) and RMB627.0 million (US$96.8 million) from this facility on March 12 and May 4, 2015, respectively. As of December 31, 2015, US$175.1 million were outstanding under this credit facility. We repaid our loans under this facility in full in March 2016.

We did not have any short-term or long-term bank borrowings outstanding as of December 31, 2013 and 2014. On September 14, 2015, we obtained a RMB denominated loan in the principal amount of RMB643.5 million (US$99.3 million) from Xiamen International Bank at an annual interest rate of 1.62%. This short-term bank loan matures in one year and is guaranteed by a deposit of RMB650.0 million by an overseas subsidiary.

On June 17, 2015, we issued convertible notes in the aggregate amount of US$500 million to Gaoling Fund, L.P., YHG Investment, L.P. and SL Camel Holdco Limited. The convertible notes are our senior unsecured obligations and bear interest at a rate of 2.0% per annum from the issuance date, payable semiannually on June 17 and December 17 of each year. The notes have a maturity date of June 17, 2021, unless repurchased, redeemed or converted in accordance with their terms prior to such date. The convertible notes are convertible at any time, at the holder's option, into our ADSs at an initial conversion price of US$55 per ADS, subject to adjustment under the terms of the indenture dated June 17, 2015, as amended on August 17, 2015 and November 24, 2015. The holders of the convertible notes may require us to repurchase the notes held by them at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of a fundamental change, as defined in the indenture for the notes, include a change in control of our company. We have also entered into a registration rights agreement with the purchasers of the convertible notes, providing for customary demand registration rights and piggyback registration rights with respect to the resale of the convertible notes and the Class B ordinary shares and ADSs issuable upon conversion of the convertible notes. Each of Gaoling Fund, L.P., YHG Investment, L.P. and SL Camel Holdco Limited has irrevocably waived and relinquished its right to convert the respective convertible notes held by it. In January 2016, SL Camel Holdco Limited, Gaoling Fund, L.P. and YHG Investment, L.P. transferred all of the convertible notes held by them, free of conversion rights, to Ctrip.

In March 2016, we obtained a RMB denominated loan with a principal amount of RMB1,773.8 million (US$273.8 million) from Ctrip. This loan is interest-free and has a term of three years. Ctrip may require us to repay this loan upon 60 days' prior written notice or upon the occurrence of certain event specified therein.

We have been able to meet our working capital needs and we believe that we will be able to meet our working capital needs in the next 12 months with our cash balance and operating cash flow. We may, however, need additional capital in the future to fund our continued business growth.

We have also started to make strategic investments starting in 2014, and intend to continue to make such strategic investments in the future that will complement our business. Our long-term investments totaled RMB713.0 million (US$110.1 million) as of December 31, 2015.

The following table shows our cash flows with respect to operating activities, investing activities and financing activities in the years ended December 31, 2013, 2014 and 2015:

	Year Ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
		(in thousands)		
Net cash used for operating activities	(59,919)	(435,724)	(2,044,824)	(315,666)
Net cash (used for) provided by investing activities	(524,738)	230,840	(1,197,594)	(184,876)
Net cash provided by financing activities	1,432,081	15,001	6,314,159	974,737
Effect of exchange rate changes on cash and cash equivalents	(15,806)	22,726	230,937	35,651
Net increase (decrease) in cash and cash equivalents	831,618	(167,157)	3,302,678	509,846
Cash and cash equivalents at the beginning of the year	148,511	980,129	812,972	125,501
Cash and cash equivalents at the end of the year	980,129	812,972	4,115,650	635,347

Operating Activities

Net cash used for operating activities in 2015 was approximately RMB2,044.8 million (US$315.7 million), which was primarily attributable to (i) our net loss of RMB7,349.3 million (US$1,134.5 million) in 2015; (ii) an increase in prepayments and other current assets of RMB1,059.6 million (US$163.6 million) and (iii) an increase in restricted cash of RMB860.7 million (US$132.9 million), which were partly offset by (i) non-cash charges from operating activities of RMB5,428.2 million (US$838.0 million), which primarily included share-based compensation expenses of RMB4,781.3 million (US$738.1 million) and fair value change in warrant liability of RMB398.0 million (US$61.4 million), and (ii) an increase in accrued expenses and other current liabilities of RMB1,935.7 million (US$298.8 million).

Net cash used for operating activities in 2014 was approximately RMB435.7 million, which was primarily attributable to (i) our net loss of RMB1,846.9 million in 2014; (ii) an increase in accounts receivable of RMB67.7 million, primarily due to the increased volume in our flight and flight related and accommodation reservation services and displaying advertising services; (iii) an increase in prepayments and other current assets of RMB193.6 million and (iv) an increase in funds receivables of RMB172.0 million, offset by (i) the increase in accrued expenses and other current liabilities of RMB717.1 million; (ii) the adjustment of online-marketing expenses for the Baidu Zhixin Cooperation of approximately RMB700.0 million and other non-cash charges from operating activities of RMB320.5 million, which primarily included share-based compensation expenses of RMB265.9 million and depreciation expenses of RMB52.0 million and (iii) an increase in customer advances and deposits of RMB94.3 million, primarily due to the increased volume of flight and flight related and accommodation reservation services that require our customers to pay in advance.

Net cash used for operating activities in 2013 was approximately RMB59.9 million, which was primarily attributable to (i) our net loss of RMB187.3 million in 2013; (ii) the adjustment of non-cash charges from operating activities of RMB85.9 million, which primarily included the share-based compensation expenses of RMB58.2 million and depreciation expenses of RMB22.7 million; (iii) an increase in fund receivables of RMB210.3 million and an increase in restricted cash of RMB114.5 million, offset by the increase in accrued expenses and other current liabilities of RMB289.9 million; (iv) an increase in accounts receivable of RMB61.3 million, primarily due to the increased volume of displaying advertising services and (v) an increase in customer advances and deposits of RMB95.6 million, primarily due to the increased volume of flight and flight related services that require our customers to pay in advance.

Investing Activities

Net cash used for investing activities was RMB1,197.6 million (US$184.9 million) in 2015, primarily due to (i) payments to purchase long-term investments of RMB646.0 million (US$99.7 million), (ii) payments to purchase short-term investments of approximately RMB599.4 million (US$92.5 million), and (iii) payments for the acquisition of property and equipment of RMB199.7 million (US$30.8 million), which were partly offset by the net proceeds we received from the maturity of short-term investments of RMB260.0 million (US$40.1 million).

Net cash provided by investing activities was RMB230.8 million in 2014, primarily due to the net proceeds we received from the maturity of short-term investments of RMB497.7 million, which was primarily offset by acquisition of property and equipment of RMB160.8 million and long-term investments of RMB103.2 million.

Net cash used for investing activities was RMB524.8 million in 2013, primarily due to the net amounts used for the purchase of the short-term investments.

Financing Activities

Net cash provided by financing activities totaled approximately RMB6,314.2 million (US$974.7 million) in 2015, primarily due to (i) the net proceeds received from issuance of long-term debt (net of issuance costs) of RMB3,050.7 million (US$471.0 million), (ii) the net proceeds received from the issuance of our Class B ordinary shares (net of offering costs) of RMB1,932.1 million (US$298.3 million), (iii) the loans obtained from related parties of RMB1,773.8 million (US$273.8 million), and (iv) the proceeds received from short-term loan of RMB643.5 million (US$99.3 million), which were partly offset by (i) the restricted cash pledged on short-term loan of RMB650.0 million (US$100.3 million), and (ii) the loan to related parties of RMB649.9 million (US$100.3 million).

Net cash provided by financing activities totaled approximately RMB15.0 million in 2014, primarily due to proceeds of RMB15.0 million from exercise of share options.

Net cash provided by financing activities totaled approximately RMB1,432.1 million in 2013, primarily attributable to the proceeds of RMB354.6 million from issuance of ordinary shares in March 2013 and RMB1,083.3 million from our initial public offering and concurrent private placement in November 2013.

Capital Expenditures

Our capital expenditures were incurred primarily in connection with leasehold improvements, investments in servers, computers, other office equipment, domain name and trademark. We had capital expenditures of RMB39.3 million, RMB163.6 million and RMB200.6 million (US$31.0 million) in 2013, 2014 and 2015, respectively. We expect to incur in 2016 a similar amount in capital expenditures as in 2015, primarily on servers, computers and other office equipment and leasehold improvements in the ordinary course of our business. We intend to fund such capital expenditures with our cash on hand. Actual future capital expenditures may differ from the amounts indicated above. We will continue to make capital expenditures to meet the expected growth of our operations and we expect that cash generated from our operating activities and financing activities will meet our capital expenditure needs in the foreseeable future.

C. PRODUCT DEVELOPMENT

We have an experienced team of software engineers and product managers in our product development department, among whom a significant number of engineers and product managers were dedicated to the development of our mobile platform and hotel direct business. Our product developments team is centralized in our corporate headquarters in Beijing. We recruit most of our software engineers across China, from among graduates with bachelor's or master's degrees in computer science and related fields. Our product development efforts focus on developing and improving our user experience and customer service.

In 2013, 2014 and 2015, our product developments expenses, including share-based compensation expenses for research and development staff, were RMB319.0 million, RMB774.5 million and RMB2,578.5 million (US$398.1 million), respectively, representing 37.5%, 44.1 % and 61.8 % of our total revenues for 2013, 2014 and 2015, respectively. Our research and development expenses consist primarily of personnel-related costs.

D. TREND INFORMATION

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events since the beginning of our fiscal year 2015 that are reasonably likely to have a material effect on our revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets, transferred to an unconsolidated entity, that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

F. CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table sets forth certain information with respect to our contractual obligations as of December 31, 2015.

	Total		Payments Due by Period Within			
	RMB	US$	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(RMB in thousands, unless otherwise specified)					
Contractual Obligations						
Short-term loan[1]	643,500	99,339	643,500	—	—	—
Long-term debt[2]	3,249,400	501,621	—	—	—	3,249,400
Operating lease commitments[3]	290,072	44,779	224,957	62,508	2,607	—
Total	4,182,972	645,739	868,457	62,508	2,607	3,249,400

(1) On September 14, 2015, we obtained a RMB denominated loan with a principal amount of RMB643.5 million (US$99.3 million) from Xiamen International Bank at an annual interest rate of 1.62%. The short-term bank loan matures in one year and is guaranteed by a deposit of RMB650.0 million (US$100.3 million) by an overseas subsidiary.

(2) On June 17, 2015, we issued US$500.0 million in senior unsecured convertible notes. The notes bear interest at a rate of 2.0% per annum with a maturity date of June 17, 2021, and are payable semiannually on June 17 and December 17 of each year.

(3) Total expenses for all operating leases were approximately RMB51.3 million, RMB163.1 million and RMB248.1 million (US$38.3 million) for 2013, 2014 and 2015, respectively.

Capital Commitments

Our capital commitments relate primarily to commitments in connection with the expansion and improvement of our network infrastructure and renovation of our offices. Total capital commitments contracted but not yet reflected in the consolidated financial statements amounted to RMB29.8 million and RMB11.3 million (US$1.7 million) as of December 31, 2014 and 2015, respectively. All of the commitments relating to improvement of network infrastructure and renovation of our offices are to be fulfilled within the next year.

In addition, as of December 31, 2015, we have contractual commitments to make additional investments contingent on the achievement of certain conditions by three existing investees with a total maximum amount of RMB20.0 million (US$3.1million).

Loss contingencies

With respect to display advertising services, we regularly provide such services at a discount to our standard rates, which is consistent with industry practice in the PRC. These discounts are in the form of free advertising elements, of which the duration and other terms of services are specified as part of the revenue contract. The VAT pilot program replaced the business tax rules for advertising services in Beijing effective from September 1, 2012. There are uncertainties under the current VAT rules as to whether these free elements should constitute deemed services in addition to the chargeable elements rather than discounts to the overall revenue arrangements for tax purposes and thus be subject to VAT at the standard rates of services. We currently are of the opinion that such free elements do not amount to deemed services for VAT purposes and the VAT for a revenue contract is calculated based on the total consideration for the overall arrangements. The rules related to the VAT pilot program are still evolving and the timing of the promulgation of the final tax rules or related interpretation is uncertain. The maximum estimated amount for this reasonably possible contingency as of December 31, 2015 was RMB7.2million (US$1.1 million).

Legal contingency

On September 6, 2013, we terminated a distribution agreement early with one of our travel service providers, eLong, due to eLong's failure to make its international hotel inventories available on our platform within the agreed time period. Subsequently, eLong filed a complaint with an intermediary court in Beijing for a civil suit against us, alleging breach of contract by us and sought (i) a declaration that the notice to terminate the aforementioned agreement was null and void and (ii) damages in the amount of approximately RMB140.7 million to compensate for alleged losses suffered by the travel service provider in connection with our early termination of the aforementioned agreement.

On July 1, 2015, we received the final judgment from the Beijing High People's Court with respect to the contract dispute with eLong over the distribution agreement. In the final judgment, the court held that we should prospectively credit to eLong's advertisement account with us an amount of RMB137.4 million (US$21.2 million) corresponding to the period up to June 30, 2016, and both parties should continue to perform its respective obligations under the distribution agreement. Such credits will not be redeemable for cash but may be used by eLong for prospective advertising services provided by us.

G. SAFE HARBOR

See "Forward-looking Statements" on page 3 of this annual report.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth certain information relating to our directors and executive officers as of the date of this annual report. The business address of each of our directors and executive officers is c/o Qunar Cayman Islands Limited, 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District, Beijing 100080, The People's Republic of China.

Name	Age	Position/Title
James Jianzhang Liang	46	Chairman of the Board of Directors
Zhenyu Chen	39	Director and Chief Executive Officer
Xiaolu Zhu	32	Chief Financial Officer
Qiang Zhang	33	Chief Operating Officer
Jimmy Lai	59	Independent Director
Jianmin Zhu	47	Independent Director
Ying Shi	40	Independent Director

Mr. James Jianzhang Liang has served as our director since October 26, 2015 and as the chairman of our board of directors since January 4, 2016. Mr. Liang also currently serves on the boards of Ctrip (where he has served as chairman of the board since August 2003), Home Inns Group, Tuniu Corporation, and eHi Car Services Limited. Mr. Liang is one of the co-founders of Ctrip, and has served as its chief executive officer from 2000 to January 2006 and resumed the role of chief executive officer from March 2013. Prior to founding Ctrip, Mr. Liang held a number of technical and managerial positions with Oracle Corporation from 1991 to 1999 in the United States and China, including the head of the ERP consulting division of Oracle China from 1997 to 1999. Mr. Liang received his Ph.D. degree from Stanford University and his master's and bachelor's degrees from Georgia Institute of Technology. He also attended an undergraduate program at Fudan University.

Mr. Zhenyu Chen is our chief executive officer and has been a member of our board of directors since January 4, 2016. Mr. Chen joined us in March 2010 as vice president for products and mobile development. He became our executive vice president and head of our mobile business group in November 2014. Mr. Chen was responsible for the development of Qunar's mobile application and the growth of the mobile business. Prior to joining us, Mr. Chen was chief technology officer and co-founder of Zhuaxia.com from December 2005 to June 2009. Mr. Chen worked at Baidu, Inc. from January 2001 to November 2005, first as an engineer, and was later promoted to senior manager of the search department. Mr. Chen received his bachelor's degree in computer software from Wuhan University of Hydraulic and Electrical Engineering in 1999.

Mr. Xiaolu Zhu has been our chief financial officer since January 4, 2016. Mr. Zhu joined us in November 2014 and served as our senior director of strategy and investor relations. His responsibilities covered strategy and business analysis, investor relations, capital markets activities and international investment. Prior to joining us, Mr. Zhu was vice president of finance at Lashou Group Inc. and was in charge of all financial, investor relations and legal related matters. Before that, Mr. Zhu worked at Goldman Sachs where he worked on multiple IPOs and M&A transactions of Chinese Internet and technology companies. Mr. Zhu received his L.L.B. from Peking University and J.D. from Duke University.

Mr. Qiang Zhang has been our chief operating officer since January 4, 2016. Mr. Zhang joined us in January 2014 as vice president and the head of the then newly founded destination services business unit. He became our executive vice president and head of the destination services business group in September 2015. Mr. Zhang also helped to develop our mobile business. Mr. Zhang previously worked at Alibaba Group and Meituan.com, and as general manager of the southern region at Meituan prior to joining us. Mr. Zhang received his bachelor's degree in computer science from the Air Force Engineering University.

Mr. Jimmy Lai has served as our director and chairman of the audit committee since January 4, 2016. Mr. Lai has served as the chief financial officer of China Online Education Group since June 2015 and is also an independent director of Sky-mobi Limited, a Nasdaq-listed company. Prior to joining China Online Education Group, Mr. Lai served as the chief financial officer of Chukong Technologies Corp., a leading mobile entertainment platform company in China. Prior to that, Mr. Lai served as the chief financial officer of Gamewave Corporation, a leading webgame company in China from 2011 to 2013. Prior to that, Mr. Lai served as the chief financial officer of Daqo New Energy Corp., an NYSE-listed company and a leading polysilicon manufacturer based in China from 2009 to 2011. Mr. Lai received his MBA in accounting from the University of Texas at Dallas and his bachelor's degree in statistics from the National Cheng Kung University in Taiwan. Mr. Lai is a certified public accountant licensed in the State of Texas.

Mr. Jianmin Zhu has served as our director since January 4, 2016. Mr. Zhu currently serves as chief executive officer of FanXiang Investment Management, which he founded in 2014. He is also one of the co-founders of Infecon Information Technology and worked as its advisor from 2012 to 2013. Prior to starting his own business in 2012, Mr. Zhu worked at Ctrip as a vice president for 12 years. Prior to that, Mr. Zhu worked with Compaq as senior adviser and with RPTI International as chief technology officer. Mr. Zhu holds a bachelor's degree from Shanghai JiaoTong University.

Ms. Ying Shi has served as our director since January 4, 2016. She has been the founder and director of instructors of Shiva Yoga Media since 2008. Prior to that, Ms. Shi worked extensively in the travel industry in China. Ms. Shi holds a bachelor's degree from Shandong University.

B. COMPENSATION

For the fiscal year ended December 31, 2015, the aggregate cash compensation and benefits that we paid to our directors and executive officers was approximately RMB9.1million (US$1.4 million). No pension, retirement or similar benefits have been set aside or accrued for our executive officers or directors. We have no service contracts with any of our directors providing for benefits upon termination of employment.

Employment Agreements

We have entered into an employment agreement with each of our named executive officers. We may terminate a named executive officer's employment with or without cause by providing the officer a one month prior written notice. A named executive officer may terminate his or her employment at any time by a one month prior written notice to our company.

Each named executive officer has agreed not to disclose, use, transfer or sell, except in the course of employment with our company and for the purpose of carrying out his or her duties as an officer of our company, any of our confidential information or proprietary data so long as such information or proprietary data remains confidential and has not been disclosed or is not otherwise in the public domain.

Equity Compensation Plans

2007 Share Plan

On November 8, 2007, our board of directors and our shareholders approved our 2007 Share Plan to attract and retain talent, provide additional incentives to our employees, directors and consultants, and promote the success of our business. The 2007 Share Plan was amended on July 30, 2010, June 22, 2011, December 29, 2011, August 10, 2012, September 24, 2013 and February 12, 2015. The maximum number of Shares that may be issued under the amended and restated 2007 Share Plan was 36,352,134 as of September 24, 2013, and shall increase (i) on January 1, 2014 by 1.5% of our then total outstanding shares, (ii) on January 1 of each of 2015, 2016 and 2017 by 2.65% of the then outstanding shares, and (iii) on January 1 of each year starting with 2018, for the remainder of the term of the plan, by 1.5% of the then outstanding Shares.

Plan Administration. The 2007 Share plan is administered by our board of directors or one or more committees consisting of members of the board of directors as appointed by the board of directors.

Types of Awards. The 2007 Share Plan permits direct award of shares, grants of stock options and other equity-based awards.

Award Agreements. Each award of shares or grant of options and other awards under the 2007 Share Plan shall be evidenced by a share purchase agreement or an option agreement between the award recipient and the company.

Eligibility. Only our employees, non-employee directors and consultants are eligible to receive awards or grants under the 2007 Share Plan.

Term of Awards and Options. Awards of shares under the 2007 Share Plan shall expire within 30 days from the date on which the award was communicated to the recipient by the company. The term of options granted under the 2007 Share Plan shall not exceed ten years.

Vesting Schedule and Other Restrictions. The administrators of our 2007 Share Plan have sole discretion in determining the individual vesting schedules and other restrictions applicable to shares awarded and options granted under the 2007 Share Plan.

Termination of the 2007 Share Plan. Our 2007 Share Plan shall terminate automatically 10 years after the later of (i) the date when our board of directors adopted the plan or (ii) the date when our board of directors approved the most recent increase in the number of shares reserved for the plan that was also approved by our shareholders. Our board of directors may amend, suspend or terminate the plan at any time and for any reason; provided, however, that any amendment of the plan shall be subject to the approval of our shareholders if it (i) increases the number of shares available for issuance under the plan (except for adjustment of shares); (ii) materially changes the class of persons who are eligible for the grant of the employee incentive stock option; or (iii) is required by applicable law or our articles.

Business Unit Incentive Plan. In order to stimulate business performance and growth in the long term, we established the "Business Unit Incentive Plan" as part of our 2007 Share Plan in January 2013. Under the "Business Unit Incentive Plan," we set up long-term performance targets for each business unit. The Board of Directors may grant options to its employees of the business units to purchase an aggregate of no more than 10.8 million Class B ordinary shares with the exercise price of US$0.01 if the business units meet the long-term performance targets. On November 25, 2014, our Board of directors approved an extension of the Business Unit Incentive Plan to cover employees of additional business units. The total number of our Class B ordinary shares to be issued under the Business Unit Incentive Plan was increased to 18.0 million. These options shall be vested within two quarters after the grant date. The Board of Directors has to approve individual option grants before the options are granted. The Business Unit Incentive Plan was terminated in November 2015. Prior to its termination, approximately 15.3 million options have been granted to our employees under our Business Unit Incentive Plan. We do not plan to grant additional options under the Business Unit Incentive Plan in the future.

2015 Share Plan

On November 18, 2015, our board of directors approved our 2015 share incentive plan, or the 2015 Share Plan, to promote the success and enhance the value of our company, and provide additional incentives to our employees, directors and consultants. The maximum number of ordinary shares that may be issued under the 2015 Share Plan was 28,476,795 as of December 31, 2015.

Plan Administration. The 2015 Share plan is administered by our board of directors or a committee consisting of one or more members of our board of directors as appointed by the board of directors.

Types of Awards. The 2015 Share Plan permits grants of stock option, restricted share and restricted share unit awards.

Award Agreements. Each grant of options and other awards under the 2015 Share Plan shall be evidenced by an award agreement between the award recipient and our company.

Eligibility. Only our employees, non-employee directors and consultants are eligible to receive award grants under the 2015 Share Plan.

Term of Awards. The term of options granted under the 2015 Share Plan shall not exceed ten years. Options and other awards under the 2015 Share Plan are generally subject to forfeiture following the termination of an award recipient's employment or service to our company, subject to certain exceptions and to the terms of the relevant award agreement between the award recipient and our company.

Vesting Schedule and Other Restrictions. The administrators of our 2015 Share Plan have sole discretion in determining the individual vesting schedules and other restrictions applicable to options and other awards granted under the 2015 Share Plan.

Termination of the 2015 Share Plan. Our 2015 Share Plan shall terminate automatically 10 years after the date of its adoption by our board of directors. Our board of directors may amend, suspend or terminate the plan at any time and for any reason.

Employee Share Exchange Program

Pursuant to the terms of the Framework Agreement for Treatment of Qunar Employee Shares and Equity Awards dated December 9, 2015 between our company and Ctrip, or the Framework Agreement, we agreed to an employee share exchange program with Ctrip pursuant to which (i) outstanding Qunar ordinary shares and ADSs beneficially owned by Qunar employees as of December 9, 2015, (ii) outstanding equity-based awards, including awards we had committed in writing to grant under our 2007 Share Plan as of December 9, 2015, when vested and exercised, and (iii) all equity-based awards to be granted pursuant to the Framework Agreement under our 2015 Share Plan, when vested and exercised, were exchangeable for Ctrip ADSs at the ratio of one Qunar ADS to 0.725 Ctrip ADSs, as adjusted for any stock split, stock dividend, change in the ratio of ordinary shares to ADSs or similar event. Ctrip effected an ADS ratio change in December 2015, whereby eight Ctrip ADSs, instead of four Ctrip ADSs, came to represent one Ctrip ordinary share. Accordingly, the exchange ratio for Ctrip ADSs in the employee share exchange program was adjusted to one Qunar ADS to 1.45 Ctrip ADSs. The employee share exchange program became effective starting on December 14, 2015. As of March 31, 2016, approximately 67.2 million of our ordinary shares (including ordinary shares in the form of ADSs) have been exchanged for Ctrip ADSs representing approximately 4.1 million Ctrip ordinary shares.

The following table summarizes, as of March 31, 2016, the outstanding options that we granted to our directors and executive officers and to other individuals as a group under our 2007 Share Plan and our 2015 Share Plan.

Name	Ordinary Shares Underlying Options Awarded	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Chenyu Chen	*	0.01	November 18, 2015	November 17, 2025
Xiaolu Zhu	*	0.01	November 18, 2015	November 17, 2025
Qiang Zhang	*	0.01	November 18, 2015	November 17, 2025
Other individuals as a group	16,627,662	0.01-1.4076	November 28, 2007 — January 1, 2016	November 27, 2017 — December 31, 2025
Total	17,793,165			

* The aggregate number of ordinary shares underlying the outstanding options held by this individual is less than 1% of our total outstanding shares.

C. BOARD PRACTICES

Board of Directors

Our board of directors currently consists of five directors, three of whom are independent directors within the meaning of Rule 5605(a)(2) of the NASDAQ Rules. We intend to follow home country practice that permits our independent directors not to hold regularly scheduled meetings at which only independent directors are present in lieu of complying with Rule 5605(b)(2).

Under our amended and restated memorandum and articles of association, our board of directors is required to consist of at least two directors. Our directors may be elected by an ordinary resolution of the holders of our ordinary shares or by a resolution of our directors. In addition, our amended and restated memorandum and articles of association permit our directors to be elected by cumulative voting of our shareholders at any general meeting at which the election of our directors will be voted upon, whereby our board may nominate and propose more nominees for election as directors than the number of seats available to be filled. Any one or more of our shareholders holding at least 10% of our issued and outstanding shares may also propose nominees for election. At the general meeting of shareholders at which the election of directors is voted upon, each shareholder will have a number of cumulative votes (which is calculated by reference to (i) the number of votes carried by such shareholder's shares, as a percentage of the total aggregate votes carried by all shares represented and voted at the meeting, multiplied by (ii) the number of available seats to be filled), and may cast such cumulative votes in favor of any one or more of the proposed nominees. The nominees who receive the most cumulative votes, up to the number of nominees required to fill the number of available seats, will be duly and validly elected as directors. There is no shareholding requirement for qualification to serve as a member of our board of directors.

Our board of directors may exercise all the powers of our company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third-party.

Any of our directors who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his interest at a meeting of our directors. A director may not vote in respect of any contract or proposed contract or arrangement that he is interested in and, if he does so, his vote shall not be counted.

Term of Directors and Executive Officers

Each of our directors shall hold office until the expiration of his or her term and his or her successor shall have been duly elected or appointed, or until his or her office is otherwise vacated. A director may be removed from office by an ordinary resolution of our shareholders at any time before the expiration of his or her term. In addition, the office of a director shall be vacated if (a) he or she dies, becomes bankrupt or makes any arrangement or composition with his creditors, (b) he or she is found to be or becomes of unsound mind, (c) he or she resigns his office by notice in writing to the Company, (d) a majority of our directors resolve that he or she be removed and his office be vacated. All of our executive officers are appointed by and serve at the discretion of our board of directors.

Duties of Directors

Under Cayman Islands law, our directors owe to us fiduciary duties, including a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our amended and restated memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages against any director if a duty owed by that director is breached.

Board Committees

We established three committees under the board of directors in 2010 and 2013, namely the audit committee, the compensation committee and the nominating and corporate governance committee, and have adopted a charter for each of the committees. Each committee's members and functions are described below.

Audit Committee

Our audit committee consists of three directors, namely Mr. Jimmy Lai, Mr. Jianmin Zhu and Ms. Ying Shi, and is chaired by Mr. Jimmy Lai. Each of Mr. Jimmy Lai, Mr. Jianmin Zhu and Ms. Ying Shi satisfies the "independence" requirements of the NASDAQ Stock Market Rules and the Securities and Exchange Commission, or the SEC regulations. In addition, our board of directors has determined that Mr. Jimmy Lai is qualified as an audit committee financial expert within the meaning of SEC regulations. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- setting clear hiring policies for employees or former employees of the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- reviewing and approving all related-party transactions;
- discussing the annual audited financial statements with management and the independent auditors;
- discussing with management and the independent auditors major issues regarding accounting principles and financial statement presentations;
- reviewing reports prepared by management or the independent auditors relating to significant financial reporting issues and judgments;
- reviewing with management and the independent auditors related-party transactions and off-balance sheet transactions and structures;
- reviewing with management and the independent auditors the effect of regulatory and accounting initiatives;
- reviewing policies with respect to risk assessment and risk management;

- reviewing our disclosure controls and procedures and internal control over financial reporting;
- reviewing reports from the independent auditors regarding all critical accounting policies and practices to be used by our company;
- establishing procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submissions by our employees of concerns regarding questionable accounting or auditing matters;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time; and
- meeting separately, periodically, with management, the internal auditors and the independent auditors.

Compensation Committee

Our compensation committee consists of three directors, namely Mr. James Jianzhang Liang, Mr. Jimmy Lai and Ms. Ying Shi, and is chaired by Mr. James Jianzhang Liang. Each of Mr. Jimmy Lai and Ms. Ying Shi satisfies the "independence" requirements of the NASDAQ Stock Market Rules and the SEC regulations. We intend to follow home country practice that permits a compensation committee to contain directors who do not meet the definition of "independence" within the meaning of Rules 5605(a)(2) and 5605(d)(2)(A) of the NASDAQ Rules. We intend to follow home country practice in lieu of complying with Rule 5605(d)(2)(A) of the NASDAQ Rules, which requires the compensation committees of U.S. companies to be comprised solely of independent directors. Our compensation committee assists the board in reviewing and approving the compensation structure of our executive officers, including all forms of compensation to be provided to our executive officers. The compensation committee is responsible for, among other things:

- reviewing and approving the compensation for our senior executives;
- reviewing and evaluating our executive compensation and benefits policies generally;
- reporting to our board of directors periodically;
- evaluating its own performance and reporting to our board of directors on such evaluation;
- periodically reviewing and assessing the adequacy of the compensation committee charter and recommending any proposed changes to our board of directors; and
- such other matters that are specifically delegated to the compensation committee by our board of directors from time to time.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of three directors, namely Mr. James Jianzhang Liang, Mr. Zhenyu Chen and Mr. Jianmin Zhu, and is chaired by Mr. James Jianzhang Liang. Mr. Jianmin Zhu satisfies the "independence" requirements of the NASDAQ Stock Market Rules and the SEC regulations. We intend to follow home country practice that permits a nominations committee to contain directors who do not meet the definition of "independence" within the meaning of Rule 5605(a)(2) of the NASDAQ Rules. We intend to follow home country practice in lieu of complying with Rule 5605(e)(1)(B) of the NASDAQ Rules, which requires that nominations committees of U.S. companies be comprised solely of independent directors. The nominating and corporate governance committee assists the board in identifying individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending to the board of directors qualified individuals for membership on the board of directors and its committees;
- evaluating, at least annually, its own performance and reporting to the board of directors on such evaluation;
- overseeing compliance with the corporate governance guidelines and code of business conduct and ethics and reporting on such compliance to the board of directors; and
- reviewing and assessing periodically the adequacy of its charter and recommending any proposed changes to the board of directors for approval.

D. EMPLOYEES

As of December 31, 2015, we had approximately 8,600 full-time employees, including over 2,700 in product developments, approximately 3,000 in product sourcing, approximately 2,400 in the teams responsible for data analysis, call center, editors and photographers and other functions that are booked under the sales and marketing line, and approximately 500 in general administration and others.

The majority of our employees are located in our headquarters in Beijing while certain of our product sourcing employees are located in various cities in China. We directly recruit, train and manage all of our employees. We believe that we maintain a good working relationship with our employees and we have not experienced any significant labor disputes. Our employees have not entered into any collective bargaining agreements.

E. SHARE OWNERSHIP

The following table sets forth information with respect to the beneficial ownership, within the meaning of Rule 13d-3 of the Exchange Act, of our ordinary shares, as of March 31, 2016:

- each person known to us to beneficially own 5% or more of our ordinary shares; and
- each of our directors and executive officers.

Beneficial ownership includes voting or investment power with respect to the securities. The calculations in the table below are based on a total of 434,347,172 ordinary shares outstanding as of March 31, 2016, comprising 7,345,925 Class A ordinary shares and 427,001,247 Class B ordinary shares, including Class B ordinary shares represented by our ADSs.

Name	Shares Beneficially Owned	
	Number	Percentage[1]
Directors and Executive Officers:		
James Jianzhang Liang	—	—
Zhenyu Chen	*	*
Xiaolu Zhu	*	*
Qiang Zhang	*	*
Jimmy Lai	—	—
Jianmin Zhu	—	—
Ying Shi	—	—
All directors and executive officers as a group	*	*%
Principal Shareholders:		
Ctrip.com International, Ltd.[2]	190,152,519	43.8%
M Strat Holdings GP, Ltd.[3]	85,748,724	19.7%
Viking Global Investors LP[4]	25,568,241	5.9%
Momentum Strategic Holdings GP, Ltd. [5]	24,621,642	5.7%

* Upon exercise of all options currently exercisable or vesting within 60 days of March 31, 2016, would beneficially own less than 1% of our total outstanding shares.

(1) For each person and group included in this table, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group, including ordinary shares that such person or group has the right to acquire within 60 days of March 31, 2016, by the sum of (1) 434,347,172, which is the total number of our ordinary shares outstanding as of March 31, 2016, and (2) the number of ordinary shares that such person or group has the right to acquire within 60 days after March 31, 2016.

(2) According to the Schedule 13D filed with the SEC on November 5, 2015, Ctrip beneficially owned 190,152,519 of our Class B ordinary shares that were directly held by Ctrip.com International Ltd, a company listed on the NASDAQ Global Select Market. According to the Schedule 13D, Ctrip acquired our Class B ordinary shares pursuant to the Ctrip Transaction in October 2015, where Baidu sold 178,702,519 of our Class A ordinary shares and 11,450,000 of our Class B ordinary shares that were beneficially owned by Baidu to Ctrip in exchange for ordinary shares of Ctrip. The Class A ordinary shares automatically converted into Class B ordinary shares upon the closing of the Ctrip Transaction. The address of Ctrip is 99 Fu Quan Road, Shanghai 200335, The People's Republic of China. We do not have further information with respect to any changes in Ctrip's beneficial ownership of our shares subsequent to November 5, 2015.

(3) According to the Schedule 13G filed with the SEC on April 1, 2016, M Strat Holdings GP, Ltd. was deemed to beneficially own 85,748,724 of our Class B ordinary shares, including (i) 38,696,652 of our Class B ordinary shares directly held by M Strat Holdings GP, Ltd. and (ii) 47,052,072 of our Class B ordinary shares in the form of American depositary shares held by M Strat Holdings, L.P. According to the Schedule 13G, M Strat Holdings GP, Ltd. is the sole general partner of M Strat Holdings, L.P. The address of M Strat Holdings GP, Ltd. is the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY19008, Cayman Islands. We do not have further information with respect to any changes in M Strat Holdings GP, Ltd.'s beneficial ownership of our shares subsequent to April 1, 2016.

(4) According to the amendment to the Schedule 13G filed with the SEC on February 16, 2016, Viking Global Investors LP was deemed to beneficially own 25,568,241 of our Class B ordinary shares in the form of American depositary shares. The address of Viking Global Investors LP is 55 Railroad Avenue, Greenwich, Connecticut 06830, United States. We do not have further information with respect to any changes in Viking Global Investors LP's beneficial ownership of our shares subsequent to February 16, 2016.

(5) According to the Schedule 13G filed with the SEC on April 7, 2016, Momentum Strategic Holdings GP, Ltd. was deemed to beneficially own 24,621,642 of our Class B ordinary shares, which were held directly in the form of American depositary shares by Momentum Strategic Holdings, L.P. According to the Schedule 13G, Momentum Strategic Holdings GP, Ltd. is the sole general partner of Momentum Strategic Holdings, L.P. The address of Momentum Strategic Holdings GP, Ltd. is the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands. We do not have further information with respect to any changes in Momentum Strategic Holdings GP, Ltd.'s beneficial ownership of our shares subsequent to April 7, 2016.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. On all matters subject to shareholders' vote and put to a vote on a poll, holders of Class A ordinary shares are entitled to three votes per share, while holders of Class B ordinary shares are entitled to one vote per share.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. To our knowledge, as of March 31, 2016, approximately 39.3% of our ordinary shares were held of record by one holder in the United States, Deutsche Bank Trust Company Americas, in the form of ADSs. We have no further information as to ADSs held, or beneficially owned, by U.S. persons.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

See Item 6.E.

B. RELATED PARTY TRANSACTIONS

The below sets forth a summary of our material transactions with our related parties. Please also see Note 13 to our consolidated financial statements included elsewhere in this annual report for further information.

Contractual Arrangements with Our Consolidated Variable Interest Entity and Its Shareholders

PRC laws and regulations currently limit foreign ownership of companies that provide value-added telecommunications services. To comply with these restrictions, we operate our business through contractual arrangements between Beijing Qunar Software Technology Company Limited, our WFOE in China, and Qunar.com Beijing Information Technology Company Limited, our VIE in China.

We originally obtained control over our VIE in October 2006 through a series of contractual arrangements, including an exclusive services agreement and other related agreements. Such contractual arrangements were amended and restated in October 2012 and further supplemented in April 2013. In December 2015, after the Ctrip Transaction, Qunar Cayman, our WFOE, our VIE, Chenchao (CC) Zhuang and the Baidu nominee entered into a share transfer agreement with two individuals, Ms. Hui Cao and Mr. Hui Wang, who are employees of Ctrip. Pursuant to this agreement, Chenchao (CC) Zhuang and the Baidu nominee transferred their shares in our VIE, together with their rights and obligations under certain relevant contractual arrangements, to Ms. Cao and Mr. Wang. In March 2016, after the completion of this share transfer, Ms. Cao and Mr. Wang held 60.0% and 40.0% of the equity interest in our VIE, respectively. Subsequently, we entered into a similar contractual arrangement with Ms. Cao and Mr. Wang, as described below.

Exclusive Technical Consulting and Services Agreement. Pursuant to the restated exclusive technical consulting and services agreement between our VIE and the WFOE, which was restated on March 23, 2016, the WFOE provides technical, marketing and management consulting services to our VIE on an exclusive basis. In consideration for these services, our VIE pays the WFOE based on a set formula defined in this agreement. During the term of this agreement, the WFOE has the right to adjust the service fee at its sole discretion without the consent of our VIE. Based on the formula provided in this agreement, the service fee payable by our VIE to the WFOE has been nil to date. The WFOE will exclusively own any intellectual property arising from its performance of this agreement. This restated exclusive technical consulting and services agreement remains in effect until terminated unilaterally by the WFOE or by mutual consent.

Loan Agreement. Pursuant to the loan agreement entered into among the WFOE and the shareholders of our VIE dated March 23, 2016, the WFOE granted interest-free loans of RMB6.6 million and RMB4.4 million to Ms. Cao and Mr. Wang, respectively. The WFOE may request repayment of these loans at its sole discretion with prior notice. The loans are only repayable by each such shareholder through a transfer of his or her equity interest in our VIE to the WFOE or its designated party, in proportion to the amount of the loan to be repaid. Furthermore, each shareholder of our VIE agrees that the total consideration from the transfer or sale of any equity interest or assets of our VIE shall first be applied to the outstanding balance under this loan agreement and the restated exclusive technical consulting and services agreement. This loan agreement will continues in effect indefinitely until such time when (i) the VIE shareholders receive a repayment notice from the WFOE and fully repay the loans, or (ii) an event of default (as defined therein) occurs unless the WFOE sends a notice indicating otherwise within 15 calendar days after it is aware of such event.

Equity Option Agreement. Pursuant to the equity option agreement entered into among us, the WFOE, our VIE and each shareholder of our VIE on March 23, 2016, each shareholder of our VIE granted the WFOE and us or our designated persons the exclusive and irrevocable rights to purchase part or all of their equity interests in our VIE. We may decide, in our sole discretion, whether the rights granted under the agreement will be exercised by us or by the WFOE. We may determine the form of payment in consideration for the equity interest purchased pursuant to this agreement. In the event of liquidation or dissolution of our VIE, all assets of our VIE shall be sold to the WFOE and us at the lowest selling price permitted by applicable PRC laws and any proceeds from the sale, together with any residual interest in our VIE, shall be remitted to the WFOE and us immediately. Each of our VIE's shareholders may not transfer any part of his or her equity interest to any party other than us or our designated party, and may not pledge or create or permit any security interest or similar encumbrance to be created on all or any part of his or her equity interest. We and the WFOE, together, are obligated, to the extent permitted by law, to provide financing support to our VIE to ensure the cash flow requirements of its ordinary operations and to offset any loss from such operations. We and the WFOE, together, will not request repayment if the shareholders of our VIE are unable to repay. The equity option agreement will remain effective with respect to each of our VIE's shareholders until all of his or her equity interest has been transferred or we terminate the agreement unilaterally with 30 days' prior written notice.

Equity Interest Pledge Agreement. Pursuant to the equity interest pledge agreement among the WFOE and each of our VIE's shareholders dated March 23, 2016, each of our VIE's shareholders agreed to pledge all of his or her equity interests in our VIE, along with all rights, titles and interests in connection with and arising from such equity interest, to the WFOE as collateral to ensure the performance of his or her obligations under the aforementioned loan agreement, equity option agreement and exclusive technical consulting and services agreement. The WFOE may enforce this pledge upon the occurrence of a settlement event or as required by PRC laws as specified therein, such as the termination or expiration of the aforementioned exclusive technical consulting and services agreement or equity option agreement, the insolvency or potential insolvency of our VIE or its shareholders, or an event of default specified therein. The pledge, along with this agreement, must be registered with the SAIC and will become effective upon such registration. This agreement expires when all obligations under the aforementioned loan agreement, equity option agreement and exclusive technical consulting and services agreement have been satisfied or when each of the VIE shareholders completes a transfer of his or her equity interest pursuant to the aforementioned equity option agreement so that he or she no longer holds any equity interest in our VIE. In enforcing the pledge, the WFOE is entitled to dispose of the pledge and have priority in receiving payment from proceeds from the auction or sale of all or part of the pledge until the obligations are settled. We are in the process of registering the equity interest pledge with SAIC.

Power of Attorney. Each of the shareholders of our VIE has executed a power of attorney dated March 23, 2016, irrevocably authorizing an appointee of the WFOE, who shall be approved by us, to exercise, in a manner approved by us, on the shareholder's behalf his full rights as a shareholder of our VIE as granted by applicable laws and the our VIE's articles of association, including but not limited to full voting rights and the right to sell or transfer any or all of the shareholder's equity interest in our VIE. Each such power of attorney is effective until such time as the relevant shareholder of our VIE no longer holds any equity interest in our VIE.

Transactions with Certain Directors, Shareholders and Affiliates and Key Management Personnel

We entered into an Internet Advertising Framework Contract with Baidu in February 2012 to purchase online marketing services from Baidu for a term of one year and renewed annually. Our total advertising expenses under the renewed Internet Advertising Framework Contract shall be no less than RMB66.0 million for 2015. Our total online marketing payment under the Internet Advertising Framework Contract was RMB81.2 million, RMB165.1 million and RMB84.2 million (US$13.0 million), respectively, in 2013, 2014 and 2015.

We entered into the Zhixin Cooperation Agreement with Baidu in October 2013. Under the Zhixin Cooperation Agreement, Baidu agreed to grant us the exclusive right to operate the "Zhixin" platform and other products, or the Cooperation Platform, which allows users to conduct additional searches or make purchases. Baidu also agreed to guarantee the minimum page views generated from users of the Cooperation Platform, which will be no less than 2,190 million, 2,190 million and 2,196 million page views for the years 2014, 2015 and 2016, respectively. Under the Zhixin Cooperation Agreement, we agreed to use our best business efforts to operate the Cooperation Platform and to achieve benchmark revenue of RMB1,910 million during the initial term of the agreement, and Baidu will be entitled to 76% of the revenues in excess of such benchmark revenue. If we fail to meet the applicable benchmark revenue, and Baidu fails to fulfill 90% of the applicable minimum traffic guarantee, the number of underlying Class B ordinary shares issuable upon exercise of the relevant batch of warrants with respect to that year would be adjusted downward in proportion to the deficit of the benchmark minimum traffic guarantee. The Cooperation Platform was officially launched on January 1, 2014 and the services pursuant to the Zhixin Cooperation Agreement commenced on the same day. On June 1, 2015, Baidu and we agreed to terminate the Zhixin Cooperation Agreement with immediate effect. We agreed that Baidu would pay us a cash consideration of RMB207.0 million (US$32.0 million) in connection with such termination. The consideration received from Baidu as our vendor was presumed to be a reduction of the price of the services provided by Baidu. We incurred online marketing expenses under the Zhixin Cooperation Agreement of RMB700.0 million and RMB37.2 million (US$5.7 million) in 2014 and 2015, respectively, of which nil and RMB143.6 million (US$22.2 million) were recognized as deductions to online marketing expense in 2014 and 2015, respectively. Concurrently with the termination of Zhixin Cooperation Agreement, Baidu fully exercised the first independent tranche of the Baidu warrants for services provided to us in 2014 into 11,450,000 of our Class B ordinary shares for no additional consideration. As of December 31, 2015, there are no additional warrants outstanding held by Baidu.

In 2014, one of our consolidated entities entered into a deed of declaration of trust with a related party of our company to jointly establish a new business entity in connection with the launch of our smart lodging business. The deed of declaration of trust was terminated in March 2016.

On February 27, 2014, we entered into a US$300.0 million revolving credit facility agreement with Baidu. The agreement has a term of three years and any drawdown bears an annual interest rate of 90% of the benchmark lending rate published by the People's Bank of China and shall be repaid within three years from the drawdown date. We drew down RMB507.0 million (US$78.3 million) and RMB627.0 million (US$96.8 million) on March 12, 2015 and May 4, 2015 respectively, pursuant to the revolving credit facility agreement described above. We repaid these amounts in full in March 2016.

On June 1, 2015, we entered into a business cooperation agreement with Baidu, under which Baidu agrees to grant us an exclusive right to integrate our hotel information and products into the personal computer and mobile versions of Baidu Maps. We may also display location-based hotel data through the Baidu Maps interface. Users can click on the displayed hotels to view hotels and to complete bookings. In return, we agreed to pay Baidu a cash amount calculated as a certain percentage of the gross revenue generated pursuant to this agreement. This agreement will expire in May 2016, subject to renewal negotiation between both parties.

On October 26, 2015, we received a RMB denominated loan of RMB639.8 million (US$98.8 million) from Baidu. The loan bore interest at a rate of 4.14% per annum with a repayment term of 12 months. We repaid this loan in full in March 2016. On October 27, 2015, Baidu obtained a US dollar denominated loan of US$100.0 million from us. The loan bore interest at a rate of 1.00% per annum with a repayment term of 12 months. We received the full repayment for this loan in March 2016.

In October 2015, we granted a loan amounting to RMB31.2 million (US$4.8 million) to an equity investee to supplement its working capital needs. Such investee repaid RMB6.2 million (US$1.0 million) to us in December 2015.

In December 2015, we agreed to an employee share exchange program with Ctrip. Under this program, Ctrip agreed to issue approximately 5.1 million Ctrip ordinary shares to certain special purpose vehicles for the benefit of Qunar employees who agree to exchange their Qunar securities for Ctrip shares. As of March 31, 2016, approximately 67.2 million of our ordinary shares (including ordinary shares in the form of ADSs) have been exchanged for Ctrip ADSs representing approximately 4.1 million Ctrip ordinary shares.

As of March 31, 2016, Ctrip holds our 2.0% convertible notes in the principal amount of US$500 million, which Ctrip purchased, free of conversion rights, from independent third parties in January 2016. The initial holders of our convertible notes irrevocably waived and relinquished their rights to convert the convertible notes held by them prior to the sale of the convertible notes to Ctrip. Ctrip, as the holder of the convertible notes, may require us to repurchase the notes held by it at 100% of the principal amount, plus any accrued and unpaid interest, upon the occurrence of a fundamental change, as defined in the indenture for the notes, include a change in control of our company. For more information on the convertible notes, see "Item 5. Operating and Financial Review and Prospects— B. Liquidity and Capital Resources."

On March 10, 2016, we obtained a RMB denominated loan with a principal amount of RMB1,773.8 million (US$273.8 million) from Ctrip. On the same date, Ctrip obtained a US dollar denominated loan from us with a principal amount of US$285.0 million. Both loans are interest-free and have a term of three years. Each party may require the other party to repay the loan upon 60 days' prior written notice or upon the occurrence of certain event specified in the loan agreements.

In early 2016, we entered into certain cooperation agreements with Ctrip and its affiliated entities in order to permit Qunar and Ctrip to display and sell travel products, such as air tickets, hotels and car service products, sourced by the other party.

Employment Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Employee Agreements" for a description of the employment agreements we have entered into with our senior executive officers.

Share Incentives

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Equity Compensation Plans" for a description of share options we have granted to our directors, officers and other individuals as a group.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

Item 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Consolidated Financial Statements

See Item 18. "Financial Statements" for our audited consolidated financial statements filed as a part of this annual report.

Legal Proceedings

In the ordinary course of our business, we are subject to periodic legal or administrative proceedings and claims often involving petty contract disputes, labor disputes, alleged infringement of third-party intellectual property rights, unfair competition practice and other claims.

On November 5, 2013, we received a summons from the Beijing No.1 Intermediate People's Court for a civil suit against us filed by eLong on October 17, 2013 in connection with the Inventory Distribution Agreement. In its complaint, eLong alleged breach of contract by us and sought (i) a declaration that our termination notice of the Inventory Distribution Agreement was null and void and (ii) damages in the amount of approximately RMB140.7 million to compensate for alleged losses suffered by eLong in connection with our early termination of the Inventory Distribution Agreement. On December 9, 2013, we filed a counterclaim against eLong for approximately RMB 8.1 million of commission fees due to us for services we provided to eLong under the Inventory Distribution Agreement before its termination. On January 10, 2014, eLong additionally sought damages in the amount of RMB11.2 million. On January 1, 2015, we received the judgment of the Beijing No.1 Intermediate People's Court, which we and eLong both appealed to the Beijing High People's Court. On July 1, 2015, we received the final judgment from the Beijing High People's Court. In the final judgment, the court upheld the prior judgment of the Beijing No. 1 Intermediate People's Court that (i) we shall prospectively credit to eLong's advertisement account opened with us in the amount of approximately RMB137.4 million (US$21.2 million) corresponding to the period up to June 30, 2016, (ii) eLong shall pay us a commission of approximately RMB8.1 million (US$1.3 million) due under the Inventory Distribution Agreement, and (iii) the Inventory Distribution Agreement shall continue to be performed by both parties. The court also ordered us to pay eLong approximately RMB0.2 million (US$37,000) in legal fees and apportioned court fees between the parties.

Other than disclosed above, we are not currently party to any legal proceeding or investigation which we believe will have a material and adverse effect on our business or results of operations and, to our knowledge, there are no such material legal proceedings currently threatened against us. See "Item 5. Operating and Financial Review and Prospects— F. Contractual Obligations and Commercial Commitments" for more information.

Dividend Policy

We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. We do not have any plan to declare or pay any dividends in the near future.

Our board of directors has complete discretion in deciding whether to distribute dividends, subject to the laws of the Cayman Islands. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may pay dividends only out of either profit or share premium, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors.

If we pay any dividends, our depositary will pay such dividends to our ADS holders to the same extent as holders of our Class B ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares." Cash dividends on our Class B ordinary shares, if any, will be paid in U.S. dollars.

B. SIGNIFICANT CHANGES

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Price Range of American Depositary Shares

Our ADSs are listed on the NASDAQ Global Market under the symbol "QUNR." Trading in our ADSs commenced on November 1, 2013.

The following table provides the high and low daily closing prices for our ADSs on the NASDAQ Global Market for the periods indicated. On April 13, 2015, the last reported closing price for our ADSs was US$44.04 per ADS.

	NASDAQ Global Market		
	Closing Price per ADS		Average Daily Trading Volume
	High (US$)	Low (US$)	(in thousands of ADSs)
2013	29.57	24.70	859
2014	33.89	21.22	805
First Quarter	33.89	23.70	1,014
Second Quarter	32.28	21.22	709
Third Quarter	30.94	26.96	781
Fourth Quarter	29.02	24.22	713
2015	54.78	27.10	1,525
First Quarter	41.78	27.10	808
Second Quarter	52.89	41.56	1,474
Third Quarter	44.41	27.97	1,224
Fourth Quarter	54.78	30.01	2,559
October	48.54	30.01	3,554
November	45.03	35.08	2,813
December	54.78	44.45	1,333
2016			
January	44.89	37.30	1,864
February	40.24	34.28	538
March	39.70	35.01	349
April (through April 13, 2016)	44.04	40.23	396

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Our ADSs, each representing three of our ordinary shares, have been listed on The NASDAQ Global Market since November 1, 2013 under the symbol "QUNR."

D. SELLING SHAREHOLDER

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

Item 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

We incorporate by reference into this annual report the description of our amended and restated memorandum and articles of association contained in our registration statement on Form F-1 (File No. 333-191459) filed with the Securities and Exchange Commission on October 29, 2013.

C. MATERIAL CONTRACTS

We have not entered into any material contracts other than in the ordinary course of business or other than those described in "Item 4. Information on the Company" and elsewhere in this annual report.

D. EXCHANGE CONTROLS

See "Item 3. Key Information—D. Risk Factors—We may be subject to penalties, including restriction on our ability to inject capital into our WFOE and our WFOE's ability to distribute profits to us, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange rules" and "Item 4. Information on the Company—B. Business Overview—Government Regulations—Regulations on Foreign Exchange."

E. TAXATION

The following sets forth material Cayman Islands, PRC and U.S. federal income tax considerations relevant to holders of our Class B ordinary shares or ADSs. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any current or prospective holder of our Class B ordinary shares or ADSs. The discussion is based on laws and relevant interpretations thereof as of the date hereof, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us or our shareholders or ADS holders levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, brought to or produced before a court of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

People's Republic of China Taxation

PRC taxation with respect to us

The EIT Law and its implementation rules, both of which became effective on January 1, 2008, provide that any income received by a non-resident enterprise is subject to 10% withholding tax to the extent such income is sourced within the PRC and (i) such non-resident enterprise has no establishment or place of business in the PRC, or (ii) it has an establishment or place of business in the PRC but its income sourced within the PRC has no real connection with such establishment or place of business, unless otherwise exempted or reduced by tax treaties. Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and other related PRC laws and regulations, the tax rate on dividends paid by a PRC resident enterprise to its immediate holding company incorporated in Hong Kong may be reduced to 5% if such Hong Kong resident enterprise owns over 25% of the equity interest of the PRC company distributing the dividends during the 12 consecutive months preceding the receipt of the dividends. As our Hong Kong subsidiary owns 100% of the WFOE, under the aforesaid arrangement, any dividends that the WFOE pays our Hong Kong subsidiary may be subject to a withholding tax at the rate of 5%, subject to examinations by competent PRC tax authorities. However, if our Hong Kong subsidiary is not considered to be the beneficial owner of such dividends under Circular 601, such dividends would be subject to the withholding tax rate of 10%.

Under the EIT Law, enterprises organized under the laws of jurisdictions outside China with "de facto management bodies" located within China may be considered PRC tax resident enterprises and therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide taxable income. The EIT Law Implementation Regulations define the term "de facto management body" as a management body that exercises full or substantial control and management authority over the production, operation, personnel, accounts and properties of an enterprise. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—We and/or our Hong Kong subsidiary may be classified as a 'PRC resident enterprise' for PRC enterprise income tax purposes, which could result in our global income being subject to 25% PRC enterprise income tax."

PRC taxation of our overseas shareholders

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC but the relevant income is not effectively connected with such establishment or place of business. Any gain realized on the transfer of American depositary shares or shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement provides otherwise. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of American depositary shares or shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Class B ordinary shares or ADSs, or the gain realized from the transfer of our Class B ordinary shares or ADSs, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax if we are treated as a PRC resident enterprise. If PRC income tax is imposed on gains realized on the transfer of our Class B ordinary shares or ADSs or on dividends paid to our non-resident investors, the value of your investment in our Class B ordinary shares or ADSs may be materially and adversely affected. Furthermore, our non-PRC shareholders and ADS holders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

According to Circular 601, non-resident enterprises or individuals that cannot provide valid supporting documents as "beneficial owners" may not be approved to enjoy tax treaty benefits. In the event that we are treated as a PRC tax resident, dividends to be distributed by us to our shareholders and ADSs holders who are non-PRC tax residents and whose jurisdictions of incorporation or home countries have tax treaties with China providing for preferential withholding arrangements will not be entitled to the benefits under such withholding arrangements unless such holder is considered a "beneficial owner" under Circular 601.

U.S. Federal Income Tax Considerations

The following is a description of material U.S. federal income tax consequences to a U.S. Holder (as described herein) of owning and disposing of Class B ordinary shares or ADSs, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to own Class B ordinary shares or ADSs. The discussion applies only to a U.S. Holder that holds Class B ordinary shares or ADSs as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant to a U.S. Holder in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities;
- persons holding our Class B ordinary shares or ADSs as part of a straddle, wash sale, conversion transaction or integrated transaction, or persons entering into a constructive sale with respect to the Class B ordinary shares or ADSs;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, including "individual retirement accounts" and "Roth IRAs";
- persons that own, or are deemed to own, Class B ordinary shares or ADSs representing ten percent or more of our voting stock; or
- persons holding our Class B ordinary shares or ADSs in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Class B ordinary shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Class B ordinary shares or ADSs and partners therein should consult their tax advisers regarding the particular U.S. federal income tax consequences of owning and disposing of the Class B ordinary shares or ADSs.

This discussion does not address any tax consequences associated with the "Medicare contribution tax" on "net investment income" or the effects of any U.S. state or local, or non-U.S. tax laws.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations and the income tax treaty between the United States and the PRC (the "Treaty"), all as of the date hereof, any of which is subject to change, possibly with retroactive effect. This discussion is also based, in part, on representations by the depositary and assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms.

U.S. Holders should consult their tax advisers regarding the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of Class B ordinary shares or ADSs in their particular circumstances.

For purposes of this discussion, a "U.S. Holder" is person that for U.S. federal income tax purposes is a beneficial owner of Class B ordinary shares or ADSs and is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder who owns ADSs will be treated as the owner of the underlying Class B ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying Class B ordinary shares represented by those ADSs.

The U.S. Treasury has expressed concern that parties to whom American depositary shares are released before the underlying shares are delivered to the depositary ("pre-release") or intermediaries in the chain of ownership between holders of American depositary shares and the issuer of the security underlying the American depositary shares, may be taking actions that are inconsistent with the claiming of foreign tax credits by holders of American depositary shares. These actions may also be inconsistent with the claiming of the favorable tax rates that may be applicable to certain dividends received by certain non-corporate holders, as described below. Accordingly, the creditability of any foreign taxes, and the availability of the favorable tax rates for any dividends received by certain non-corporate U.S. Holders, each described below, could be affected by actions taken by such parties or intermediaries.

Taxation of Distributions. Subject to the passive foreign investment company, or PFIC, rules described below, distributions (if any) paid on Class B ordinary shares or ADSs, other than certain *pro rata* distributions of Class B ordinary shares, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in the Class B ordinary shares or ADSs (as applicable) and thereafter as capital gain. However, because we do not calculate our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt, or in the case of ADSs, the depositary's receipt, of the dividend.

Dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code. Subject to applicable limitations and the discussion above regarding concerns expressed by the U.S. Treasury and the passive foreign investment company rules discussed below, dividends (if any) paid to certain non-corporate U.S. Holders may be subject to reduced rates of U.S. federal income taxation if certain holding period and other requirements are met. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rates on dividends in light of their particular circumstances.

Dividends will be treated as foreign-source income and will generally constitute passive category income for purposes of the foreign tax credit rules. As described in "Taxation—People's Republic of China Taxation," if we were deemed to be a PRC resident enterprise under the EIT Law, dividends paid by us might be subject to PRC withholding tax. For U.S. federal income tax purposes, the dividend income will include amounts withheld by us in respect of the PRC withholding tax. Subject to applicable limitations that vary depending upon the U.S. Holder's circumstances, and in the case of ADSs subject to the discussion above regarding concerns expressed by the U.S. Treasury, PRC income taxes withheld from dividend payments (at a rate not exceeding the applicable rate provided in the Treaty, as defined above, in the case of a U.S. Holder that is eligible for the benefits of the Treaty) generally would be creditable against a U.S. Holder's U.S. federal income tax liability. PRC taxes withheld in excess of the rate applicable under the Treaty generally will not be eligible for credit against a U.S. Holder's U.S. federal income tax liability. An eligible U.S. Holder who does not elect to claim a foreign tax credit for PRC tax withheld may instead be eligible to claim a deduction, for U.S. federal income tax purposes, in respect of such withholding but only for the year in which such U.S. Holder elects to do so for all creditable foreign income taxes. The U.S. foreign tax credit rules are complex. U.S. Holders should consult their own tax advisors regarding the foreign tax credit rules in light of their particular circumstances.

Sale or Other Taxable Disposition of Class B Ordinary Shares or ADSs. Subject to the PFIC rules described below, gain or loss realized on the sale or other taxable disposition of Class B ordinary shares or ADSs will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Class B ordinary shares or ADSs for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the Class B ordinary shares or ADSs disposed of and the amount realized on the disposition. The deductibility of capital losses is subject to limitations.

As described in "Taxation— People's Republic of China Taxation," if we were deemed to be a PRC resident enterprise under the EIT law, gain on the sale of Class B ordinary shares or ADSs might be subject to PRC taxes. A U.S. Holder will generally be entitled to use foreign tax credits to offset only the portion of its U.S. federal income tax liability that is attributable to foreign-source income. Because under the Code capital gains of U.S. persons generally are treated as U.S.-source income, this limitation may preclude a U.S. Holder from claiming a credit for all or a portion of any PRC taxes imposed on any such gains. However, because under the Treaty such capital gains may be treated as PRC source, U.S. Holders that are eligible for the benefits of the Treaty may be able to elect to treat the gains as PRC-source income for purposes of crediting such PRC taxes against the U.S. Holders' U.S. federal income tax liability with respect to such gains. U.S. Holders should consult their tax advisers regarding the tax consequences in the event PRC tax were to be imposed on a distribution of Class B ordinary shares or ADSs, including the availability of the U.S. foreign tax credit and the ability and whether to treat any gain as PRC source gain for U.S. foreign tax credit purposes in consideration of their particular circumstances.

Passive Foreign Investment Company Rules. In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75% or more of its gross income consists of certain types of passive income or (ii) the average value (determined on a quarterly basis) of its assets that produce, or are held for the production of, passive income is 50% or more of the value of all its assets.

Passive income generally includes dividends, interest, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a non-U.S. corporation owns at least 25% (by value) of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

Based upon the composition of our income and assets and estimates of the value of our assets, including goodwill, which estimates are based, in part, on the price of our ADSs, we do not believe we were a PFIC for our 2015 taxable year. However, the determination of whether we are a PFIC is made annually and depends on particular facts and circumstances (such as the valuation of our assets, including goodwill and other intangible assets) and also may be affected by the application of the PFIC rules, which are subject to differing interpretations. The fair market value of our assets is expected to depend, in part, upon (i) the market price of our ADSs, which is likely to fluctuate, and (ii) the composition of our income and assets from time to time. In addition, it is not entirely clear how the contractual arrangements between us and our VIE will be treated for purposes of the PFIC rules. If it were determined that we are not the owner of the stock of our VIE for U.S. federal income tax purposes, we could be treated as a PFIC. In light of the foregoing, no assurance can be provided that we are not currently a PFIC or that we will not become a PFIC in any other taxable year.

If we were a PFIC for any taxable year and any of our subsidiaries or other entities (including our VIE) in which we own or are treated as owning equity interests were also a PFIC (any such entity, a "Lower-tier PFIC"), U.S. Holders would be deemed to own their proportionate shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the paragraph below on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holders held the Lower-tier PFIC's shares directly, even though the U.S. Holders had not received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held our Class B ordinary shares or ADSs, the U.S. Holder, absent certain elections (including the mark-to-market and qualified electing fund elections described below), generally will be subject to adverse tax consequences (regardless of whether we continue to be classified as a PFIC). Generally, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the Class B ordinary shares or ADSs would be allocated ratably over the U.S. Holder's holding period for the Class B ordinary shares or ADSs. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability. Further, to the extent that any distribution received by a U.S. Holder on Class B ordinary shares or ADSs exceeds 125% of the average of the annual distributions on the Class B ordinary shares or ADSs received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner.

In certain circumstances, a U.S. Holder can avoid certain of the adverse rules described above by making a mark to market election with respect to its stock, provided that such stock is "marketable." ADSs will be marketable if they are "regularly traded" for purposes of the mark-to-market election on a "qualified exchange" or other market within the meaning of applicable U.S. Treasury regulations. ADSs will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter (for which no assurance can be given). NASDAQ, where our ADSs are listed, is a qualified exchange for this purpose. It should be noted that our Class B ordinary shares are not listed on NASDAQ and therefore a U.S. Holder of Class B ordinary shares that are not represented by ADSs generally will not be eligible to make a mark-to-market election with respect to such shares if we were to be become a PFIC. A mark-to-market election is not permitted for the shares of any of our subsidiaries that are also classified as PFICs.

A U.S. Holder that makes an effective mark-to-market election must include in gross income, as ordinary income, for each taxable year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the U.S. Holder's ADSs at the close of the taxable year over the U.S. Holder's adjusted tax basis in its ADSs. An electing U.S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted tax basis in its ADSs over the fair market value of its ADSs at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains previously included in income. The adjusted tax basis of a U.S. Holder's ADSs will be adjusted to reflect amounts included in gross income or allowed as a deduction because of such mark-to-market election. If a U.S. Holder makes an effective mark-to-market election, gains from an actual sale or other disposition of ADSs in a year in which we are a PFIC will be treated as ordinary income, and any losses incurred on a sale or other disposition of ADSs will be treated as ordinary losses to the extent of any net mark to market gains previously included in income.

A mark-to-market election is effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or if the Internal Revenue Service consents to the revocation of the election. Prospective investors should consult their own tax advisors regarding the availability of, and the procedure for making, a mark-to-market election and whether making the election would be advisable, including in light of their particular circumstances.

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by obtaining certain information from the PFIC and by making a qualified electing fund, or QEF, election to be taxed currently on its share of the PFIC's undistributed income. We do not, however, intend to provide U.S. Holders with the information necessary to make a QEF election, which if available could materially affect the tax consequences of the ownership and disposition of the Class B ordinary shares or ADSs if we were a PFIC.

If we were a PFIC for any year during which a U.S. Holder held our Class B ordinary shares or ADSs, we would generally continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder held the Class B ordinary shares or ADSs, even if we ceased to meet the threshold requirements for PFIC status. In addition, non-corporate U.S. Holders will not be eligible for the reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

If a U.S. Holder owns Class B ordinary shares or ADSs during any year in which we are a PFIC, such U.S. Holder will be required to file an annual information return on Internal Revenue Service Form 8621 regarding distributions received on, and any gain realized on the disposition of, our Class B ordinary shares or ADSs, and certain U.S. Holders will be required to file an annual information return (also on Internal Revenue Service Form 8621) relating to their ownership our Class B ordinary shares or ADSs.

U.S. Holders should consult their tax advisers regarding the operation of the PFIC rules and the U.S. federal income tax consequences of owning and disposing of our Class B ordinary shares or ADSs if we were a PFIC for any taxable year, including the advisability of making any election that may be available.

Information Reporting and Backup Withholding. Payments of dividends and proceeds from the sale of Class B ordinary shares or ADSs that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and backup withholding unless (i) the U.S. Holder is a corporation or other "exempt recipient" or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders of specified foreign financial assets with an aggregate value in excess of the applicable dollar threshold are required to report information relating to their holding of Class B ordinary shares or ADSs, subject to certain exceptions (including an exception for Class B ordinary shares or ADSs held in accounts maintained by certain financial institutions) with their tax return for each year in which they hold Class B ordinary shares or ADSs. U.S. Holders should consult their own tax advisors regarding the information reporting obligations that may arise from their acquisition, ownership or disposition of our Class B ordinary shares or ADSs.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENTS BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We have filed with the SEC a registration statement on Form F-1, a registration statement on Form F-6, a registration statement on Form S-8, a registration statement on Form 8-A and a registration statement on Form F-3, including relevant exhibits and schedules under the Securities Act, covering the Class B ordinary shares represented by the ADSs, as well as the ADSs. You should refer to our registration statements and their exhibits and schedules if you would like to find out more about us and about the ADSs and the Class B ordinary shares represented by the ADSs. This annual report summarizes material provisions of contracts and other documents to which we refer you. Since the annual report may not contain all the information that you may find important, you should review a full text of these documents.

The SEC also maintains a website that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that site is http://www.sec.gov. The information on that website is not a part of this annual report.

We will furnish to Deutsche Bank Trust Company Americas, as depositary of our ADSs, copies of our annual report. When the depositary receives these reports, it will upon our request promptly provide them to all holders of record of ADSs. We will also furnish the depositary with all notices of shareholders' meetings and other reports and communications in English that we make available to our shareholders. The depositary will make these notices, reports and communications available to holders of ADSs and will upon our request mail to all holders of record of ADSs the information contained in any notice of a shareholders' meeting it receives.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders. The registration statements, reports and other information so filed can be inspected and copied at the public reference facilities maintained by the SEC at Room 1580, 100 F Street, N.E., Washington D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms.

I. SUBSIDIARY INFORMATION

For a list of our significant subsidiaries, see "Item 4. Information on the Company — C. Organizational Structure."

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse change in financial market prices and rates. In the course of our normal operations, we are exposed to market risks, including fluctuations in foreign currency exchange rates and interest rates.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing demand deposits. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates. We have not used any derivative financial instruments to manage our interest risk exposure.

Foreign Exchange Risk

Our financial statements are expressed in Renminbi, and the majority of our revenues and most of our expenses are denominated in Renminbi. Currently, our exposure to foreign exchange risk primarily relates to our cash and cash equivalents denominated in currencies other than Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not hedged exposure to foreign currencies or any other derivative financial instruments. However, the value of your investment in our ADSs will be affected by the foreign exchange rate between U.S. dollars and Renminbi, because the primary value of our business is effectively denominated in Renminbi, while the ADSs will be traded in U.S. dollars. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the PRC—Fluctuation in the value of the RMB may have a material adverse effect on the value of your investment."

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Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Fees and Charges Our ADS Holders May Have to Pay

Holders of our ADSs will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of our ADSs):

Service	Fees
Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	Up to US$0.05 per ADS issued
Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US$0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions	Up to US$0.05 per ADS held
Distribution of ADSs pursuant to share dividends, free share distributions or exercise of rights.	Up to US$0.05 per ADS issued
Distribution of securities other than ADSs or rights to purchase additional ADSs	A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs
Depositary, operation, and maintenance services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).

- Expenses incurred for converting foreign currency into U.S. dollars.

- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly-issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us for a portion of certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depositary collects from investors. Further, the depositary has agreed to reimburse us certain fees payable to the depositary by holders of ADSs. Neither the depositary nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of service fees to be charged to holders of ADSs and (iii) our reimbursable expenses related to the program are not known at this time.

PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. — D. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS

See "Item 10. Additional Information" for a description of the rights of securities holders, which remain unchanged.

E. USE OF PROCEEDS

The following "Use of Proceeds" information relates to:

- the registration statement on Form F-1, as amended (File Number 333-191459) for our initial public offering of 12,777,650 ADSs (including the additional ADSs sold to the underwriters in connection with the over-allotment option), representing 38,332,950 Class B ordinary shares, which registration statement was declared effective by the SEC on October 31, 2013.

- the registration statement on Form F-3ASR, as amended (File Number 333-204626) for our 2015 follow-on offering of 6,842,106 ADSs (including the additional ADSs sold to the underwriters in connection with the over-allotment option), representing 20,526,318 Class B ordinary shares, which registration statement automatically became effective upon the filing of the Form F-3ASR on June 1, 2015.

We received net proceeds of approximately US$172.8 million from our initial public offering in 2013 and net proceeds of approximately US$310.9 million from our follow-on offering in 2015, respectively. We incurred expenses and paid to others US$13.2 million for underwriting discounts and commissions and US$3.1 million for other expenses in connection with our initial public offering from the effective date of the registration statement for the initial public offering to December 31, 2013. We incurred expenses and paid to others US$12.0 million for underwriting discounts and commissions and US$2.1 million for other expenses in connection with our 2015 follow-on offering from the effective date of the registration statement to December 31, 2015.

For the period from October 30, 2013, the date that the F-1 registration statement for our initial public offering was declared effective by the SEC, through June 1, 2015, the date that our F-3ASR registration statement for our follow-on offering became effective, to December 31, 2015, the net proceeds received from these public offerings were primarily used as follows:

- approximately US$324.9 million for general corporate purposes, including working capital, acquisition of products, services or technologies, and acquisition of new users;

- approximately US$112.3 million for the acquisition of complementary businesses; and

- approximately US$46.5 million for investments in technology, infrastructure and product development efforts.

As of December 31, 2015, we have used all of the net proceeds from our initial public offering and our 2015 follow-on offering.

Item 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, including our chief executive officer and our chief financial officer, performed an evaluation of the effectiveness of our disclosure controls and procedures, as that term is defined in Rules 13a-15(e) of the Exchange Act, as of the end of the period covered by this annual report. Based on that evaluation, our management, including our chief executive officer and our chief financial officer, has concluded that our disclosure controls and procedures were effective as of December 31, 2015.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our chief executive officer and chief financial officer, has assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework).

Based on this assessment, management concluded that, as of December 31, 2015, our internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm, Ernst & Young Hua Ming LLP, independently assessed the effectiveness of our internal control over financial reporting. Ernst & Young Hua Ming LLP has issued an attestation report, which is included below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Qunar Cayman Islands Limited

We have audited Qunar Cayman Islands Limited's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). Qunar Cayman Islands Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Qunar Cayman Islands Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Qunar Cayman Islands Limited as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive loss, cash flows and shareholders' equity (deficit) for each of the three years in the period ended December 31, 2015 of Qunar Cayman Islands Limited and our report dated April 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young Hua Ming LLP
Shanghai, the People's Republic of China
April 14, 2016

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16 [RESERVED]

Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Jimmy Lai qualifies as an audit committee financial expert as such term is defined in Item 16A(b) of Form 20-F.

Our board of directors has determined that all of the members of our audit committee are independent as such term is defined by Rule 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 of the Exchange Act.

Item 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics, which is applicable to our senior executive and financial officers. In addition, our board of directors has adopted a code of conduct, which is applicable to all of our directors, officers and employees. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (No. 333-191459) in connection with our initial public offering in October 2013. We have made our code of ethics and our code of conduct publicly available on our website at www.qunar.com.

Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditors for the periods indicated.

	For the year ended December 31,		
	2014	2015	
	RMB	RMB	US$
		(in thousands)	
Audit fees[1]	7,325	11,277	1,741
Audit-related fees[2]	—	2,701	417
Tax fee[3]	429	360	56
Other fee[4]	13	13	2

(1) "Audit fees" include the aggregate fees billed in each of the fiscal years listed for professional services rendered by our independent registered public accounting firm for the audit of our annual consolidated financial statements.

(2) "Audit-related fees" represents aggregate fees billed in each of the fiscal years listed for assurance and related services rendered by our independent registered public accounting firm, which mainly included SAS 100 reviews of our interim financial statements.

(3) "Tax fees" represents the aggregate fees billed for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice and tax planning.

(4) "Other fees" represents the fees billed for our subscription of our independent registered public accounting firm's accounting database.

All auditing and non-auditing services provided by our independent auditors must be pre-approved by our audit committee. Our audit committee has approved all services as described above.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

We are incorporated in the Cayman Islands and qualify as a "foreign private issuer" under the Securities Act, which, pursuant to the NASDAQ Listing Rules, allows us to follow home country practice in lieu of the NASDAQ corporate governance requirements, subject to certain important exceptions. We are relying on certain exemptions available to foreign private issuers under the NASDAQ Listing Rules and are not obligated to comply with certain NASDAQ corporate governance requirements, including the requirements:

- that we hold an annual meeting of shareholders no later than one year after the end of our fiscal year-end;
- that we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- for an annual performance evaluation of the nominating and governance committee and the compensation committee;
- that our board of directors hold regularly scheduled meetings at which only independent directors are present; and
- that our share incentive plans be approved by shareholders.

We follow home country practice with respect to annual meetings and did not hold an annual shareholder meeting in fiscal year 2014. We held an annual meeting of shareholders on February 12, 2015 and we may hold annual shareholder meetings in the future if there are significant issues that require shareholders' approvals.

We are not required to and will not voluntarily meet the above requirements. As a result of our use of "foreign private issuer" exemption, you will not have the same protection afforded to shareholders of companies that are subject to all of NASDAQ's corporate governance requirements.

Item 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

Item 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

Item 18. FINANCIAL STATEMENTS

Our consolidated financial statements are included at the end of this annual report.

Item 19. EXHIBITS

Exhibit Number	Description of Document
1.1	Fifth Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 3.2 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.1 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
2.3	Form of Deposit Agreement, among the Registrant, the Depositary and holders of the American Depositary Receipts (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
2.4	Amended and Restated Investors' Rights Agreement among the Registrant and other parties thereto dated July 20, 2011, as amended on March 4, 2013 (incorporated herein by reference to Exhibit 4.4 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
2.5*	Note Purchase Agreement among Qunar Cayman Islands Limited, SL Camel Holdco Limited, Gaoling Fund, L.P., and YHG Investment, L.P., dated June 1, 2015
2.6*	Registration Rights Agreement among Qunar Cayman Islands Limited, SL Camel Holdco Limited, Gaoling Fund, L.P., and YHG Investment L.P., dated June 17, 2015
2.7*	Indenture among Qunar Cayman Islands Limited, U.S. Bank National Association as trustee and the Holders as defined therein, dated June 17, 2015

2.8*	Supplemental Indenture among Qunar Cayman Islands Limited, U.S. Bank National Association as trustee and the Holders as defined therein, dated August 17, 2015, to the Indenture by the same parties dated June 17,2015
2.9*	Second Supplemental Indenture among Qunar Cayman Islands Limited, U.S. Bank National Association as trustee and the Holders as defined therein, dated November 24, 2015, to the Indenture by the same parties dated June 17,2015, as supplemented
2.10*	Waiver Letter by Gaoling Fund, L.P. and YHG Investment, L.P. addressed to Qunar Cayman Islands Limited and U.S. Bank National Association, dated December 4, 2015
2.11*	Waiver Letter by SL Camel Holdco Limited addressed to Qunar Cayman Islands Limited and U.S. Bank National Association, dated January 4, 2016
4.1*	Amended and Restated 2007 Share Plan adopted on November 8, 2007, as amended on July 30, 2010, June 22, 2011, December 29, 2011, August 10, 2012, September 24, 2013 and February 12, 2015
4.2	Form of Indemnification Agreement entered into among the Registrant and its directors and officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.3	Form of Employment Agreement entered into between the Registrant and an Executive Officer of the Registrant (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.4	Restated Exclusive Technical Consulting and Services Agreement between Qunar.com Beijing Information Technology Company Limited and Beijing Qunar Software Technology Company Limited dated October 10, 2012 (incorporated herein by reference to Exhibit 10.4 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.5	Restated Loan Agreement among Beijing Qunar Software Technology Company Limited and shareholders of Qunar.com Beijing Information Technology Company Limited dated October 10, 2012 (incorporated herein by reference to Exhibit 10.5 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.6	Restated Equity Option Agreement among Qunar Cayman Islands Limited, Beijing Qunar Software Technology Company Limited, Qunar.com Beijing Information Technology Company Limited and shareholders of Qunar.com Beijing Information Technology Company Limited dated October 10, 2012 (incorporated herein by reference to Exhibit 10.6 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)

4.7	Equity Interest Pledge Agreement between Beijing Qunar Software Technology Company Limited and shareholders of Qunar.com Beijing Information Technology Company Limited dated October 10, 2012 (incorporated herein by reference to Exhibit 10.7 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.8	Power of Attorney by shareholders of Qunar.com Beijing Information Technology Company Limited dated April 12, 2013 (incorporated herein by reference to Exhibit 10.8 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.9	Supplementary Agreement among Qunar Cayman Islands Limited, Beijing Qunar Software Technology Company Limited, Qunar.com Beijing Information Technology Company Limited, shareholders of Qunar.com Beijing Information Technology Company Limited dated April 2, 2013 (incorporated herein by reference to Exhibit 10.9 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.10	Subscription Agreement by and between the Registrant and Jaguarundi Partners, LLC dated September 26, 2013 (incorporated herein by reference to Exhibit 10.11 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.11	Business Cooperation Agreement between the Registrant and Baidu, Inc. dated July 20, 2011 and amended on June 27, 2013 (incorporated herein by reference to Exhibit 10.10 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
4.12	Business Cooperation Framework Agreement between the Registrant and Baidu, Inc. dated October 1, 2013 (incorporated herein by reference to Exhibit 10.12 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on October 3, 2013)
4.13	Credit Facility Contract between the Registrant and Baidu, Inc. dated February 27, 2014 (incorporated herein by reference to Exhibit 4.13 to the Form 20-F filed with the Securities and Exchange Commission on April 29, 2014)
4.14*	2015 Share Incentive Plan adopted on November 18, 2015
4.15*	Framework Agreement for Treatment of Qunar Employee Shares and Equity Awards between Ctrip.com International Ltd. and Qunar Cayman Islands Limited, dated December 9, 2015
4.16*	Loan Agreement between Qunar Cayman Islands Limited and C-Travel International Limited, dated March 10, 2016

4.17*	Loan Agreement between Ctrip Travel Network Technology (Shanghai) Co., Ltd. and Beijing Qunar Software Technology Co., Ltd., dated March 10, 2016
4.18*	Restated Exclusive Technical Consulting and Services Agreement between Qunar.com Beijing Information Technology Company Limited and Beijing Qunar Software Technology Company Limited, dated March 23, 2016
4.19*	Loan Agreement among Beijing Qunar Software Technology Co., Ltd. and the shareholders of Qunar.com Beijing Information Technology Company Limited, dated March 23, 2016
4.20*	Equity Option Agreement among Qunar Cayman Islands Limited, Beijing Qunar Software Technology Co., Ltd., Qunar.com Beijing Information Technology Company Limited and the shareholders of Qunar.com Beijing Information Technology Company Limited, dated March 23, 2016
4.21*	Equity Interest Pledge Agreement among Beijing Qunar Software Technology Company Limited and the shareholders of Qunar.com Beijing Information Technology Company Limited, dated March 23, 2016
4.22*	Power of Attorney by Wang Hui as shareholder of Qunar.com Beijing Information Technology Company Limited, dated March 23, 2016
4.23*	Power of Attorney by Cao Hui as shareholder of Qunar.com Beijing Information Technology Company Limited, dated March 23, 2016
8.1*	List of Significant Subsidiaries of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1, as amended (File No. 333-191459), initially filed with the Securities and Exchange Commission on September 30, 2013)
12.1*	Certification by Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Ernst & Young Hua Ming LLP, an independent registered public accounting firm
15.2*	Consent of TransAsia Lawyers

101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	RL Taxonomy Extension Presentation Linkbase Document

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* Filed with this annual report on Form 20-F
** Furnished with this annual report on Form 20-F

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Qunar Cayman Islands Limited

By: /s/ Zhenyu Chen
Name: Zhenyu Chen
Title: Chief Executive Officer

Date: April 14, 2016

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Qunar Cayman Islands Limited

We have audited the accompanying consolidated balance sheets of Qunar Cayman Islands Limited (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive loss, cash flows and shareholders' equity (deficit) for each of the three years in the period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Qunar Cayman Islands Limited at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Qunar Cayman Islands Limited's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young Hua Ming LLP
Shanghai, the People's Republic of China
April 14, 2016

QUNAR CAYMAN ISLANDS LIMITED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"),
except for number of shares and per share data)

	Notes	As of December 31, 2014 RMB	2015 RMB	2015 US$
ASSETS				
Current assets:				
Cash and cash equivalents		812,972	4,115,650	635,347
Restricted cash		236,929	1,747,603	269,783
Accounts receivable, net	4	165,404	278,382	42,975
Funds receivable		413,084	715,365	110,433
Short-term investments		—	351,189	54,214
Due from related parties	13	39,951	813,123	125,525
Prepayments and other current assets	5	259,734	1,320,492	203,849
Deferred tax assets, current	12	22,859	80,513	12,429
Total current assets		**1,950,933**	**9,422,317**	**1,454,555**
Non-current assets:				
Property and equipment, net	6	149,307	232,085	35,828
Intangible assets, net	8	2,849	12,689	1,959
Goodwill	8	—	10,755	1,660
Long-term investments, net	7	103,175	712,967	110,063
Deferred tax assets, non-current	12	—	111	17
Other non-current assets	20	61,453	114,621	17,694
Total non-current assets		**316,784**	**1,083,228**	**167,221**
Total assets		**2,267,717**	**10,505,545**	**1,621,776**

QUNAR CAYMAN ISLANDS LIMITED
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"), except for number of shares and per share data)

	Notes	As of December 31, 2014 RMB	As of December 31, 2015 RMB	As of December 31, 2015 US$
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY				
Current liabilities (including current liabilities of the Affiliated PRC Entities without recourse to the Company amounting to RMB893,558 and RMB2,754,149 (US$425,168) as of December 31, 2014 and 2015, respectively)**:**				
Customer advances and deposits		258,992	280,962	43,373
Due to related parties	13	6,305	1,961,500	302,803
Accounts payable		19,813	31,720	4,898
Salaries and welfare payable		201,433	418,431	64,595
Income tax payable		22,821	79,736	12,309
Accrued expenses and other current liabilities	10	1,155,547	3,134,951	483,953
Warrant liability	13	701,776	—	—
Short-term loan	9	—	643,500	99,339
Total current liabilities		**2,366,687**	**6,550,800**	**1,011,270**
Non-current liabilities (including non-current liabilities of the Affiliated PRC Entities without recourse to the Company amounting to RMB3,429 and RMB15,793 (US$2,438) as of December 31, 2014 and 2015, respectively)**:**				
Deferred tax liability, non-current		—	1,318	203
Long-term debt	11	—	2,658,357	410,380
Non-current liabilities		71,616	91,702	14,156
Total non-current liabilities		**71,616**	**2,751,377**	**424,739**
Total liabilities		**2,438,303**	**9,302,177**	**1,436,009**
Commitments and contingencies	22			
Shareholders' (deficit) equity:				
Class A ordinary shares (par value of US$0.001 per share; 303,344,804 shares authorized as at December 31, 2014 and 2015, respectively; 224,299,179 and 13,517,672 shares issued and outstanding as at December 31, 2014 and 2015, respectively)	16	1,426	87	13
Class B ordinary shares (par value of US$0.001 per share; 496,655,196 shares authorized as at December 31, 2014 and 2015, respectively; 134,376,522 and 419,204,400 shares issued and outstanding as at December 31, 2014 and 2015, respectively)	16	831	2,638	407
Additional paid-in capital		2,069,313	10,647,579	1,643,703
Accumulated other comprehensive income	15	4,163	136,810	21,120
Statutory reserves		—	3,011	465
Accumulated deficit		(2,246,319)	(9,592,039)	(1,480,756)
Total Qunar Cayman Islands Limited's shareholders' (deficit) equity		**(170,586)**	**1,198,086**	**184,952**
Noncontrolling interests		—	5,282	815
Total shareholders' (deficit) equity		**(170,586)**	**1,203,368**	**185,767**
Total liabilities and shareholders' (deficit) equity		**2,267,717**	**10,505,545**	**1,621,776**

The accompanying notes are an integral part of these consolidated financial statements

QUNAR CAYMAN ISLANDS LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"), except for number of shares and per share (or ADS) data)

		Years end December 31,			
		2013	2014	2015	
	Notes	RMB	RMB	RMB	US$
Revenues					
Flight and flight related services		551,122	1,171,229	2,206,948	340,694
Accommodation reservation services		194,030	347,281	1,472,925	227,380
Display advertising services		63,503	87,894	117,945	18,208
Other services		42,267	150,351	373,394	57,642
Total revenues		**850,922**	**1,756,755**	**4,171,212**	**643,924**
Cost of revenues		(173,395)	(454,902)	(1,433,237)	(221,253)
Gross profit		**677,527**	**1,301,853**	**2,737,975**	**422,671**
Operating expenses:					
Product developments		(319,021)	(774,511)	(2,578,528)	(398,056)
Product sourcing		(67,271)	(316,903)	(785,385)	(121,243)
Sales and marketing		(315,506)	(890,861)	(2,671,637)	(412,430)
General and administrative		(129,209)	(399,914)	(3,388,467)	(523,089)
Online marketing expense for Baidu Zhixin Cooperation	13	—	(699,983)	(37,178)	(5,739)
Contract termination loss provision	22	—	(64,485)	—	—
Operating loss		**(153,480)**	**(1,844,804)**	**(6,723,220)**	**(1,037,886)**
Interest income (expenses), net		4,757	31,329	(110,233)	(17,017)
Foreign exchange gain (loss), net		1,469	(20,739)	(64,106)	(9,896)
Other income (loss), net		1,057	4,873	(25,161)	(3,884)
Fair value change in warrant liability	13	—	—	(397,987)	(61,439)
Loss before income taxes		**(146,197)**	**(1,829,341)**	**(7,320,707)**	**(1,130,122)**
Income tax expense	12	(41,092)	(17,560)	(22,784)	(3,517)
Equity in loss of affiliated companies, net of tax	7	—	—	(5,840)	(902)
Net loss		**(187,289)**	**(1,846,901)**	**(7,349,331)**	**(1,134,541)**
Net loss attributable to noncontrolling interests		—	—	(6,622)	(1,022)
Net loss attributable to Qunar Cayman Islands Limited's shareholders		**(187,289)**	**(1,846,901)**	**(7,342,709)**	**(1,133,519)**
Loss per share for ordinary shares					
Basic and diluted	17	(0.61)	(5.26)	(19.14)	(2.95)
Loss per ADS (each ADS represents three Class B ordinary shares)					
Basic and diluted	17	(1.83)	(15.78)	(57.42)	(8.85)
Weighted average number of ordinary shares used in computation:					
Class A ordinary shares:					
Basic	17	299,524,536	266,696,495	182,319,107	182,319,107
Diluted	17	299,524,536	266,696,495	182,319,107	182,319,107
Class B ordinary shares:					
Basic	17	6,403,973	84,713,813	201,373,547	201,373,547
Diluted	17	305,928,509	351,410,308	383,692,654	383,692,654
Other comprehensive (loss) income, net of tax of nil					
Foreign currency translation adjustments	15	(16,873)	32,639	132,647	20,477
Comprehensive loss		**(204,162)**	**(1,814,262)**	**(7,216,684)**	**(1,114,064)**
Comprehensive loss attributable to noncontrolling interests		—	—	(6,622)	(1,022)
Comprehensive loss attributable to Qunar Cayman Islands Limited's shareholders		**(204,162)**	**(1,814,262)**	**(7,210,062)**	**(1,113,042)**

The accompanying notes are an integral part of these consolidated financial statements

QUNAR CAYMAN ISLANDS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

		Years ended December 31,			
		2013	2014	2015	
	Notes	RMB	RMB	RMB	US$
Cash flows from operating activities:					
Net loss		(187,289)	(1,846,901)	(7,349,331)	(1,134,541)
Adjustments to reconcile net loss to net cash from operating activities:					
Depreciation expenses	6	22,735	52,048	110,915	17,122
Amortization of intangible assets	8	—	—	1,146	177
Allowance for doubtful accounts	4	7,038	2,199	5,849	903
Impairment of long-term investments	7	—	—	39,425	6,086
Share-based compensation		58,170	265,924	4,781, 334	738,111
Online marketing expenses for Baidu Zhixin Cooperation	13	—	699,983	37,178	5,739
Marketing services contributed by a related party	13	5,920	3,304	—	—
Imputed interest on loan due to a related party	13	2,050	—	—	—
Fair value change in warrant liability	13	—	—	397,987	61,439
Interest expense on long-term debt				49,127	7,584
Payment of Employee Consenting Equity Right Holder ("CERH") Fees		(9,982)	(2,980)	(583)	(90)
Equity in loss of affiliated companies		—	—	5,840	902
Changes in assets and liabilities					
Restricted cash		(114,459)	(73,423)	(860,674)	(132,865)
Accounts receivable		(61,299)	(67,711)	(117,046)	(18,069)
Funds receivable		(210,284)	(171,962)	(301,665)	(46,569)
Due from related parties	13	(2,400)	(29,951)	(123,292)	(19,033)
Prepayments and other current assets	5	(21,233)	(193,630)	(1,059,551)	(163,567)
Deferred tax assets	12	(8,436)	(14,423)	(57,765)	(8,917)
Other non-current assets		(20,310)	(28,972)	(43,711)	(6,748)
Customer advances and deposits		95,598	94,313	21,970	3,392
Accounts payable		2,925	11,318	7,645	1,180
Due to related parties	13	4,292	1,813	181,395	28,003
Salaries and welfare payable		42,308	115,456	395,055	60,986
Income tax payable		4,598	17,057	(121,697)	(18,787)
Accrued expenses and other current liabilities	10	289,870	717,061	1,935,658	298,814
Non-current deferred tax liabilities		—	—	1,318	203
Non-current liabilities		40,269	13,753	18,649	2,879
Net cash used for operating activities		**(59,919)**	**(435,724)**	**(2,044,824)**	**(315,666)**

Cash flows from investing activities:					
Acquisitions of property and equipment		(39,314)	(160,786)	(199,707)	(30,829)
Acquisition of intangible assets		—	(2,849)	(849)	(131)
Payments to purchase short-term investments		(671,165)	(242,901)	(599,441)	(92,538)
Proceeds from maturity of short-term investments		185,741	740,551	259,952	40,130
Payments for long-term investments		—	(103,175)	(646,039)	(99,731)
Acquisition of business, net of cash acquired		—	—	(11,510)	(1,777)
Net cash (used for) provided by investing activities		**(524,738)**	**230,840**	**(1,197,594)**	**(184,876)**
Cash flows from financing activities:					
Proceeds from issuance of ordinary shares	16	354,586	—	—	—
Proceeds from issuance of Class B ordinary shares		1,102,232	—	1,943, 104	299,963
Proceeds from issuance of ordinary shares previously subject to escrow		17,298	—	—	—
Proceeds from exercise of share options		1,474	15,001	210,872	32,553
Loans from related parties	13	150,000		1,773,800	273,828
Repayment of loans due to related parties	13	(200,000)	—	—	—
Loans to related parties	13	(68,886)	—	(649,880)	(100,324)
Proceeds from repayment of loans due from related parties	13	98,975	—	—	—
Distribution	16	(4,638)	—	—	—
Proceeds from noncontrolling interests		—	—	3,000	463
Proceeds from short-term loan	9	—	—	643,500	99,339
Restricted cash pledged for short-term loan	9	—	—	(650,000)	(100,343)
Proceeds from issuance of long-term debt	11	—	—	3,103,303	479,067
Payment for ordinary share issuance cost		(18,960)		(10,974)	(1,694)
Payment for debt issuance cost	11	—	—	(52,566)	(8,115)
Net cash provided by financing activities		**1,432,081**	**15,001**	**6,314,159**	**974,737**
Effect of exchange rate changes on cash and cash equivalents		**(15,806)**	**22,726**	**230,937**	**35,651**
Net increase (decrease) in cash and cash equivalents		**831,618**	**(167,157)**	**3,302,678**	**509,846**
Cash and cash equivalents at beginning of the year		148,511	980,129	812,972	125,501
Cash and cash equivalents at end of the year		980,129	812,972	4,115,650	635,347
Supplemental cash flow disclosures:					
Income taxes paid		8,852	4,319	4,010	619
Acquisitions of equipment included in accounts payable		122	3,408	1,407	217
Interests paid		—	—	35,013	5,405

The accompanying notes are an integral part of these consolidated financial statements

QUNAR CAYMAN ISLANDS LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIT) EQUITY
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"), except for number of shares)

	Ordinary shares		Class A Ordinary shares		Class B Ordinary shares		Additional paid-in capital	Accumulated other comprehensive(loss) income (note13)	Statutory reserves	Accumulated deficit	Total Qunar Cayman Islands Limited's shareholders' (deficit) equity	Noncontrolling interests	Total shareholders' (deficit) equity
	Number of shares	RMB	Number of shares	RMB	Number of shares	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance at December 31, 2012	181,402,116	1,172	—	—	—	—	(716,364)	(11,603)	—	(212,129)	(938,924)	—	(938,924)
Net loss	—	—	—	—	—	—	—	—	—	(187,289)	(187,289)	—	(187,289)
Other comprehensive loss	—	—	—	—	—	—	—	(16,873)	—	—	(16,873)	—	(16,873)
Issuance of ordinary shares (Note 14)	21,662,296	135	—	—	—	—	354,451	—	—	—	354,586	—	354,586
Re-designation of ordinary shares to Class A ordinary shares (Note 14)	(203,064,412)	(1,307)	203,064,412	1,307	—	—	—	—	—	—	—	—	—
Conversion of Class A ordinary shares to Class B ordinary shares by a shareholder (Note 14)	—	—	(494,550)	(3)	494,550	3	—	—	—	—	—	—	—
Issuance of Class B ordinary shares (Note 14)	—	—	—	—	38,838,400	237	1,182,878	—	—	—	1,183,115	—	1,183,115
Initial public offering costs	—	—	—	—	—	—	(101,146)	—	—	—	(101,146)	—	(101,146)
Proceeds from issuance of ordinary shares previously subject to escrow (Note 1)	—	—	—	—	—	—	17,298	—	—	—	17,298	—	17,298
Distribution and payment of CERH Fees	—	—	—	—	—	—	(14,620)	—	—	—	(14,620)	—	(14,620)
Reclassification of the redeemable ordinary shares from mezzanine equity to Class A ordinary shares in permanent equity (Note 14)	—	—	100,280,392	610	—	—	998,056	—	—	—	998,666	—	998,666
Online marketing services contributed by a related party (Note 11)	—	—	—	—	—	—	5,920	—	—	—	5,920	—	5,920
Imputed interest on loan due to related party (Note 11)							2,050		—		2,050	—	2,050
Exercise of stock options	—	—	—	—	—	—	1,474	—	—	—	1,474	—	1,474
Share-based compensation	—	—	—	—	—	—	58,170	—	—	—	58,170	—	58,170
Balance at December 31, 2013	—	—	302,850,254	1,914	39,332,950	240	1,788,167	(28,476)	—	(399,418)	1,362,427	—	1,362,427
Net loss	—	—	—	—	—	—	—	—	—	(1,846,901)	(1,846,901)	—	(1,846,901)
Other comprehensive income	—	—	—	—	—	—	—	32,639	—		32,639	—	32,639
Distribution and payment of CERH Fees	—	—	—	—	—	—	(2,980)	—	—	—	(2,980)	—	(2,980)
Online marketing services contributed by a related party (Note 11)	—	—	—	—	—	—	3,304	—	—	—	3,304	—	3,304
Exercise of stock options	—	—	—	—	16,492,497	103	14,898	—	—	—	15,001	—	15,001
Share-based compensation	—	—	—	—	—	—	265,924	—	—	—	265,924	—	265,924
Transfer of Class A ordinary shares to Class B ordinary shares	—	—	(78,551,075)	(488)	78,551,075	488	—	—	—	—	—	—	—
Balance at December 31, 2014	—	—	224,299,179	1,426	134,376,522	831	2,069,313	4,163	—	(2,246,319)	(170,586)	—	(170,586)
Net loss	—	—	—	—	—	—	—	—	3,011	(7,345,720)	(7,342,709)	(6,622)	(7,349,331)
Other comprehensive income	—	—	—	—	—	—	—	132,647	—	—	132,647	—	132,647
Distribution and payment of CERH Fees	—	—	—	—	—	—	(583)	—	—	—	(583)	—	(583)

Exercise of stock options	—	—	—	—	42,070,053	270	210,602	—	—	—	210,872	—	210,872
Share-based compensation	—	—	—	—	—	—	4,781,334	—	—	—	4,781,334	—	4,781,334
Acquisition of subsidiaries	—	—	—	—	—	—	(3,848)	—	—	—	(3,848)	11,904	8,056
Exercise of Zhixin warrants	—	—	—	—	11,450,000	71	1,099,183	—	—	—	1,099,254	—	1,099,254
Issuance of Class B ordinary shares(Note 16)	—	—	—	—	20,526,318	127	1,932,003	—	—	—	1,932,130	—	1,932,130
Issuance of long-term debt (Note11)	—	—	—	—	—	—	559,575	—	—	—	559,575	—	559,575
Transfer of Class A ordinary shares to Class B ordinary shares (Note 16)	—	—	(210,781,507)	(1,339)	210,781,507	1,339	—	—	—	—	—	—	—
Balance at December 31, 2015	—	—	13,517,672	87	419,204,400	2,638	10,647,579	136,810	3,011	(9,592,039)	1,198,086	5,282	1,203,368
Balance at December 31, 2015, in US$		—		13		407	1,643,703	21,120	465	(1,480,756)	184,952	815	185,767

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION

Qunar Cayman Islands Limited (the "Company" or "Qunar") is a limited company incorporated on July 31, 2006 and domiciled in the Cayman Islands. The Company is principally engaged in the operation of an online travel commerce platform with the provision of flight and flight related services, accommodation reservation services, display advertising services and other services in the People's Republic of China ("PRC").

The Company's principal subsidiaries and consolidated variable interest entities as of December 31, 2015 are as follows:

Company	Date of incorporation	Place of incorporation	Percentage of direct ownership by the Company
Principal subsidiaries of the Company:			
Queen's Road Travel Information Limited ("Queen's Road")	August 6, 2010	Hong Kong	100%
Beijing Qunar Software Technology Company Limited ("WFOE")	October 10, 2006	PRC	100%
Shanghai Qianlima Network Technology Co. Ltd., a wholly owned subsidiary of the WFOE	November 16, 2012	PRC	100%
Principal Affiliated PRC Entities			
Qunar.com Beijing Information Technology Company Limited ("Qunar.com", "VIE")	March 17, 2006	PRC	Nil
Beijing JiaXin HaoYuan Information Technology Company Ltd. ("Jiaxinhaoyuan"), a wholly owned subsidiary of the VIE	August 26, 2010	PRC	Nil
Beijing JinDuYuanYou Information Technology Company Ltd. ("Jinduyuanyou"), a wholly owned subsidiary of the VIE	December 12, 2011	PRC	Nil
Qingdao Yi Lu Tong Xing International Travel Agency Co., Ltd. ("Qingdao"), a wholly owned subsidiary of the VIE	April 12, 2012	PRC	Nil
Shenzhen Zhongchengtai Insurance Brokerage Co. Ltd. ("Zhongchengtai"), a wholly owned subsidiary of the VIE	September 9, 2013	PRC	Nil
Qunar.com (Tianjin) International travel Agency Co., Ltd. ("Tianjin Travel Agency"), a wholly owned subsidiary of the VIE	September 24, 2014	PRC	Nil

The VIE and its wholly-owned subsidiaries above are collectively known as the "principal Affiliated PRC Entities."

On July 20, 2011, Baidu Holdings Limited subscribed to 181,402,116 of the Company's ordinary shares, representing 62.01% of the equity interest of the Company (60% of the equity interest of the Company on a fully diluted basis) for a total consideration of US$ 306,000 (RMB1,976,515) (the "Baidu Transaction"). 85% of the total consideration or US$260,100 (RMB1,680,039) was remitted upon closing of the Baidu Transaction. The rest of the consideration amounting to US$45,900 was remitted to an escrow account which was released in full at the end of the escrow period in January 2013 as all the conditions related to the escrow were fulfilled.

On November 1, 2013, the Company completed its initial public offering ("IPO") and a private placement concurrently with the IPO on the NASDAQ Global Market raising total gross proceeds of US$194,192, representing 12,612,800 American Depositary Shares ("ADSs") at the price of US$15.00 per ADS and 1,000,000 Class B ordinary shares at the price of US$5.00 per share. Each ADS represents three Class B ordinary shares. Upon the closing of the IPO, the total number of ordinary shares outstanding was 342,183,204, comprised of 302,850,254 Class A ordinary shares and 39,332,950 Class B ordinary shares; and Baidu remains the Company's controlling shareholder, holding 54.1% of the equity interest. Baidu, Inc., the parent company of Baidu, is the Company's ultimate holding company.

On October 26, 2015, the Company's largest shareholder, Baidu, Inc., exchanged 178,702,519 Class A ordinary shares and 11,450,000 Class B ordinary shares of its ownership interest in the Company for 11,488,381 ordinary shares of Ctrip.com International, Ltd. ("Ctrip"). The exchange ratio was 1 Qunar ADS to 0.725 Ctrip ADSs. Upon the completion of the transaction on October 26, 2015, Ctrip became the largest shareholder of the Company holding 190,152,519 Class B ordinary shares of Qunar. In December 2015, Ctrip issued approximately 4.0 million ordinary shares to certain special purpose vehicles for the benefit of Qunar employees in exchange for approximately 65.9 million of Qunar's Class B ordinary shares as part of an employee share exchange program. As a result of these transactions, under U.S. GAAP, Ctrip is deemed to be the beneficial owner of the ordinary shares of Qunar representing majority voting interest.

In order to comply with the PRC law and regulations which prohibit foreign control of companies involved in Internet content, the Company operates its website and conducts a portion of its display advertising businesses in the PRC through the principal Affiliated PRC Entities. The paid-in capital of the VIE was funded by the WFOE through loans extended to the VIE's shareholders (the "Nominee Shareholders"). The effective control of the VIE is held by the Company, through a series of contractual agreements (the "Contractual Agreements") entered into in October 2006, as amended. As a result of the Contractual Agreements, the Company maintains the ability to control the VIE, is entitled to substantially all of the economic benefits from the VIE, and is obligated to absorb all of the VIE's expected losses.

Despite the lack of technical majority ownership, there exists a parent-subsidiary relationship between the Company and the VIE through the irrevocable power of attorney agreement, whereby the Nominee Shareholders effectively assigned all of their voting rights underlying their equity interests in the VIE to the Company. In addition, through the Contractual Agreements, the Company demonstrates its ability and intention to continue to absorb substantially all of the expected losses and profits of the VIE.

With respect to the VIE, the Board of Directors of the Company approves the annual budget, financial statements and material contracts of the VIE after the review by senior management of the Company. Senior management of the Company is also generally responsible for the review and approval of sales contracts, credit approval policies, pricing policies, the display of advertisements as well as the appointments and terminations of personnel. In addition, the WFOE is mainly responsible for acquiring significant bandwidth and traffic, marketing and product developments for the VIE. Therefore, the Company directs the activities of the VIE that most significantly impact their economic performance.

As a result of the above, the Company consolidates the VIE in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, *Consolidation*.

The following is a summary of the Contractual Agreements:

(1) *Power of Attorney Agreement:* Pursuant to the power of attorney agreement signed between the Nominee Shareholders and the WFOE, the Nominee Shareholders gave the WFOE an irrevocable proxy to exercise all of their voting rights as shareholders of the VIE and sign and/or stamp on behalf of the Nominee Shareholders, all related legal documents pertinent to the exercise of their rights in their capacity as the shareholders of the VIE. The WFOE is also entitled to transfer or assign its voting rights to any other person or entity at its own discretion and without giving prior notice to the Nominee Shareholders or obtaining their consent. The Nominee Shareholders have also irrevocably and permanently waived their rights to terminate this proxy. The proxy will only end when the equity interests of the VIE have been transferred to the Company, the WFOE or their designee or upon the dissolution of the VIE, whichever is earlier.

(2) *Loan Agreement:* Pursuant to the loan agreement between the Nominee Shareholders and the WFOE, the WFOE granted interest free loans amounting to RMB 1,000 for the Nominee Shareholders' contributions to the VIE. The manner and timing of the repayment is at the sole discretion of the WFOE and at the Nominee Shareholders' option may be in the form of transferring the VIE's equity interest to the WFOE or its designees.

(3) *Equity Option Agreement:* Pursuant to the equity option agreement entered into between the Nominee Shareholders, the Company and the WFOE, the Nominee Shareholders granted to the Company/ WFOE or their designees an exclusive and irrevocable option to purchase all their equity interests in the VIE. The exercise consideration should be based on the loan amount as described above or the minimum consideration permitted by the PRC laws, whichever is higher. The Company/ WFOE or their designees may exercise such option at any time until it has acquired all equity interests of the VIE. This agreement terminates when all the equity interests have been transferred or when the obligations by the Nominee Shareholders have been fully performed, whichever is later.

(4) *Exclusive Technical Consulting and Services Agreement:* Pursuant to the exclusive technical consulting and services agreement entered into by the WFOE and the VIE, the VIE engaged the WFOE as their exclusive provider of technical, marketing and management consulting services for an initial term of 30 years, which will be automatically extended for another 10 years upon expiration. The VIE is required to pay to the WFOE service fees determined mutually by the parties. The WFOE will exclusively own any intellectual property arising from the performance of this agreement. The agreement can be terminated mutually by the parties.

(5) *Equity Interest Pledge Agreement:* Pursuant to the equity interest pledge agreement entered into between the Nominee Shareholders and the WFOE, the Nominee Shareholders pledged all of their equity interests in the VIE to the WFOE as collateral to secure their obligations under the above agreements. The Nominee Shareholders may not transfer or dispose of their equity interests in the VIE until all the obligations under the agreements above have been performed and the equity interests in the VIE have been transferred to the WFOE, the Company and/or their designees. The Nominee Shareholders also cannot create any pledge or encumbrance on the equity interests in the VIE without the WFOE's prior written consent. The WFOE is entitled to transfer or assign in full or in part the equity interests pledged. In the event of default, the WFOE as the pledgee will be entitled to dispose of the pledged equity interests at any time through transfer or assignment. The WFOE also has the right to collect dividends from the equity interests. The equity interest pledge agreement will terminate after all the obligations under these agreements have been satisfied in full and the pledged equity interests have been transferred to the WFOE, the Company and/or their designees. The equity interest pledge agreement may only be early terminated by the WFOE unilaterally. The equity pledge has also been registered with the local administration for industry and commerce and remains effective until all payments due under the exclusive technical consulting and services agreement have been fulfilled by the VIE.

In May 2012, the Contractual Agreements were supplemented by the following terms:

- Dividends and distributions are not permitted without the prior consent of the WFOE. To the extent there is a dividend or distribution, the Nominee Shareholders will remit the amounts in full to the WFOE immediately;

- The Nominee Shareholders agreed that the total consideration received from the transfer of any part of the equity interests or sale of assets of the VIE will first be applied to the outstanding balance under the loan and exclusive technical consulting and services agreements. After full repayment of the outstanding balance, any remaining consideration will be remitted in full to the WFOE as a nonreciprocal transfer;

- With respect to the loan agreement, the term of the loan shall continue indefinitely until all the obligations have been fulfilled. The WFOE may at its discretion determine the time and manner for the repayment and the Nominee Shareholders' option as to the form of repayment is superseded;

- With respect to the equity option agreement, the method of payment of the equity option shall be determined at the discretion of the WFOE. In the event of liquidation or dissolution of the VIE, all assets shall be sold to the WFOE at the lowest selling price permitted by the applicable PRC law, and any proceeds from the transfer and any residual interests in the VIE shall be remitted to the WFOE immediately. The Company also agrees to fund the WFOE if and when the VIE requires financial support from the WFOE, to the extent allowed by law, to the VIE for its operations and forego the right to seek repayment;

- The appointment of any individuals to exercise the powers and rights assigned pursuant to the power of attorney agreement requires the approval of the Company. All the activities in relation to such powers and rights assigned are directed and approved by the Company; and

- With respect to the exclusive technical consulting and services agreement, the service fees are determined based on a predetermined formula based on the financial performance of the VIE and can be adjusted by the WFOE unilaterally. The terms of the exclusive technical consulting and services agreement will continue to be in effect until it is terminated by the WFOE.

In October 2012, the power of attorney agreement, loan agreement, equity option agreement, and exclusive technical consulting and services agreement were also updated to reflect an additional capital contribution amounting to RMB10,000 to the VIE by the WFOE. The supplemental terms of the Contractual Agreements entered into in May 2012 remain effective.

As a result, the power of attorney has since been effectively reassigned to the Company which has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance. The Company is also obligated to absorb the expected losses of the VIE through the financial support as described above. The Company and the WFOE, as a group of related parties, have held all of the variable interests of the VIE. The Company has been determined to be most closely associated with the VIE within the group of related parties and has replaced the WFOE as the primary beneficiary of the VIE since May 2012. As the VIE was subject to indirect control by the Company through the WFOE immediately before and direct control immediately after the Contractual Agreements were supplemented, the change of the primary beneficiary of the VIE was accounted for as a common control transaction based on the carrying amount of the net assets transferred.

The Company and other PRC entities and their respective nominee shareholders entered into a series of agreements substantially similar to the above Contractual Agreements. Through these agreements, the Company demonstrates its ability and intention to continue to absorb substantially all of the expected losses and profits of these other PRC entities and direct the activities of these other PRC entities that most significantly impact their economic performance. Therefore, the Company also consolidates these other PRC entities in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, *Consolidation*.

The principal Affiliated PRC Entities and other PRC entities are collectively known as the "Affiliated PRC Entities."

Based on the Exclusive Technical Consulting and Services Agreement, WFOE would charge the principal Affiliated PRC Entities service fees based on a predetermined formula with reference to the financial performances of the principal Affiliated PRC Entities. The service fees can be adjusted by the WFOE unilaterally. No service fee was charged to the principal Affiliated PRC Entities by the WOFE for the years ended December 31, 2013, 2014 and 2015 as the principal Affiliated PRC Entities did not generate sufficient profits.

Revenue-producing assets held by the principal Affiliated PRC Entities mainly consist of office computer equipment, servers and network equipment and software. The unrecognized revenue-producing assets mainly consist of licenses, domain names and trademarks which did not meet the recognition criteria set in ASC 350-30-25.

There was no pledge or collateralization of the principal Affiliated PRC Entities' assets and the Company has not provided any financial support that was not previously contractually required to the Affiliated PRC Entities.

The carrying amounts and classifications of the assets and liabilities of Affiliated PRC Entities before eliminating intercompany balances and transactions between the principal Affiliated PRC Entities and other entities within the Group are as follows:

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
ASSETS			
Current assets:			
Cash and cash equivalents	122,682	768,605	118,652
Restricted cash	207,589	944,488	145,804
Funds receivable	387,705	691,563	106,759
Accounts receivable, net	187,607	391,712	60,470
Prepaid expenses and other current assets	77,642	545,449	84,203
Deferred tax assets	16,755	66,452	10,258
Amount due from related parties[1]	11,331	100,379	15,496
Total current assets	**1,011,311**	**3,508,648**	**541,642**
Non-current assets:			
Property and equipment, net	6,033	64,437	9,947
Long-term investments, net	58,375	485,445	74,940
Other non-current assets	11,502	59,082	9,121
Goodwill	—	10,755	1,660
Total non-current assets	**75,910**	**619,719**	**95,668**
Total assets	**1,087,221**	**4,128,367**	**637,310**
Current liabilities:			
Customer advances and deposits	5,887	23,815	3,677
Accounts payable	70,834	77,523	11,968
Salaries and welfare payable	15,524	13,941	2,152
Accrued expenses and other current liabilities	782,758	2,044,266	315,580
Income tax payable	18,555	66,665	10,291
Amounts due to related parties	—	527,939	81,500
Amounts due to inter-companies[2]	182,926	1,504,524	232,258
Total current liabilities	**1,076,484**	**4,258,673**	**657,426**
Non-current liabilities:			
Non-current liabilities	3,429	15,793	2,438
Total non-current liabilities	**3,429**	**15,793**	**2,438**
Total liabilities	**1,079,913**	**4,274,466**	**659,864**

The financial performance and cash flows of Affiliated PRC Entities are as follows:

	Years ended December, 31			
	2013	2014	2015	
	RMB	RMB	RMB	US$
Revenues	82,474	371,555	1,333,367	205,836
Cost of revenues	45,298	215,981	1,009,694	155,870
Net income (loss)	4,966	(10,990)	(158,328)	(24,442)
Net cash provided by operating activities	41,181	94,178	628,207	96,978
Net cash used in investing activities	(961)	(65,109)	(513,174)	(79,220)
Net cash (used in) provided by financing activities	(50,000)	7,000	530,939	81,963

(1) Information with respect to related parties is discussed in Note 13.

(2) Amounts due to inter-companies mainly consist of payables to WFOE and other group companies resulting from expenses paid on behalf of the principal Affiliated PRC Entities for daily operations.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the Affiliated PRC Entities of which the Company or a subsidiary of the Company is the primary beneficiary. All significant intercompany transactions and balances between the Company, its subsidiaries and the Affiliated PRC Entities are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the provisions for accounts and funds receivable, loss on contracts, useful lives of long-lived assets and intangible assets, fair value of warrant liability and other derivatives embedded in long-term debt and the cancelation rate of air travel facilitating services sold; determining the purchase price allocation of business combination and share-based compensation expenses; assessing the impairment of long-term investments, long-lived assets and goodwill, realizability of deferred tax assets, unrecognized tax benefits, display advertising revenue rebates and contingencies. Management bases the estimates on historical experience and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

Foreign currency translation and transactions

The functional currency of the Company and Queen's Road is the United States dollar ("US$"). The Company's PRC subsidiaries and the Affiliated PRC Entities determined their functional currency to be the Chinese Renminbi ("RMB"). The determination of the respective functional currency is based on the criteria of ASC 830, *Foreign Currency Matters*. The Company uses the RMB as its reporting currency. The Company uses the average exchange rate for the year and the exchange rate at the balance sheet date to translate the operating results and financial position, respectively. Translation differences are recorded in accumulated other comprehensive loss, a component of shareholders' equity (deficit).

Transactions denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are remeasured at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are included in the consolidated statements of comprehensive loss.

Convenience translation

Amounts in U.S. dollars are presented for the convenience of the reader and are translated at the noon buying rate of 6.4778 per US$1.00 on December 31, 2015 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ at such rate.

Reclassification of revenue amounts

The Company presented revenues in the categories of flight and flight related, accommodation reservation, display advertising services and other services beginning January 1, 2015. Therefore, comparative amounts for the years ended December 31, 2013 and 2014 were reclassified to conform to the current year presentation. Such reclassifications had no effect on net loss, total assets, total liabilities or total shareholders' (deficit) equity as previously reported.

Fair value of financial instruments

Financial assets and liabilities of the Company primarily comprise of cash and cash equivalents, restricted cash, accounts receivable, funds receivable, short-term investments, due from and due to related parties, employee housing loan receivables (Note 20), customer advances and deposits, accounts payable, warrant liability, short-term loan and long-term debt. As of December 31, 2014 and 2015, the carrying values of these financial instruments, except for employee housing loan receivables, short-term loan, long-term debt and warrant liability, approximated their fair values due to the short-term nature of these instruments.

The fair value of the employee housing loan receivables, short-term loan and long-term debt have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The calculated fair value approximated the carrying amounts of the outstanding employee housing loan receivables, short-term loan and long-term debt.

The Baidu Warrants (Note 13) is measured at fair value at each reporting date until the final measurement date, which is the date of completion of services required to earn each relevant tranche. The Company determined the fair value of warrant liability with the assistance of an independent third-party valuation firm.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. All highly liquid investments with original stated maturity of three months or less are classified as cash equivalents.

Restricted cash

The Company acts as an intermediary between users and certain online travel agencies ("OTAs"), airline and hotel customers for the reservations originated through the Company's website or mobile platform. The use of the cash collected from users for such reservations is restricted. Such restricted cash cannot be used for the operations of the Company or any other purpose not designated by users and is subject to remittance to these customers in a short period of time.

Restricted cash also includes cash deposits held by the Company's banks for the issuance of guarantee letters to the Company's business partners and as guarantee for loans to subsidiaries.

Short-term investments

All highly liquid investments with original maturities of greater than three months, but less than twelve months, are classified as short-term investments. Short-term investments represented time deposits and financial products with original maturities exceeding three months but within twelve months held in various reputable financial institutions in the PRC.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recognized and carried at original invoiced amount less an allowance for any potential uncollectible amounts. An estimate for doubtful accounts is made when the collection of the full amount is no longer probable. Bad debts are written off as incurred.

The Company maintains allowances for doubtful accounts for estimated losses resulting from the failure of customers to make payments on time. The Company reviews the accounts receivable on a periodic basis and makes allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, the customer's historical payment history, its current credit-worthiness and current economic trends.

Funds receivable

Funds receivable are cash due from third-party on-line payment service providers, net of service fees, for clearing transactions. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. Receivable balances are written off after all collection efforts have been exhausted. As of December 31, 2014 and 2015, no allowance for doubtful accounts was provided for the funds receivable.

Property and equipment, net

Property and equipment are stated at cost and are depreciated using the straight-line method over the shorter of the estimated useful lives of the asset or the term of the related lease, as follows:

	Estimated useful life
Office furniture and equipment	3 or 5 years
Office computer equipment	3 years
Servers and network equipment	3 years
Software	3 years
Digital locks*	3 years
Leasehold improvements	Over the shorter of the lease term or the estimated useful lives of the assets of up to 3 years

* The Company's apartment rental operations require the usage of digital locks to secure the apartments being rented out.

Repair and maintenance costs are charged to expenses as incurred, whereas the cost of renewals and betterment that extends the useful lives of property and equipment is capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the assets and accumulated depreciation accounts with any resulting gain or loss reflected in the consolidated statements of comprehensive loss.

Intangible assets, net

Intangible assets with finite lives are carried at cost less accumulated amortization and are amortized using the straight-line method over the estimated economic lives. As of December 31, 2015, the finite intangible asset represented the software platform with the estimated economic life 8 years acquired in 2015 (Note 8).

Intangible assets with indefinite lives mainly comprised of an acquired domain name which is measured on initial recognition at cost. The domain name may be used indefinitely without significant costs of renewal. The expected cash flows generated from the domain name is for an indefinite period. As a result, the domain name has been assessed as having an indefinite useful life. The domain name is not amortized, but instead tested for impairment at least annually, or more frequently if certain circumstances indicate a possible impairment may exist in accordance with ASC subtopic 350-30 ("ASC 350-30"), *Intangibles-Goodwill and Other: General Intangibles Other than Goodwill*. The Company performs its annual impairment assessment for acquired indefinite-lived intangible assets in December of each year.

Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed of acquired businesses.

Goodwill is not amortized but is reviewed at least annually for impairment or earlier, if an indication of impairment exists. Recoverability of goodwill is evaluated using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, the second step of the impairment test is performed in order to determine the implied fair value of a reporting unit's goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. The Company estimates total fair value of the reporting unit using discounted cash flow analysis, and makes assumptions regarding future revenue, gross margins, working capital levels, investments in new products, capital spending, tax, cash flows, and the terminal value of the reporting unit. The Company determined that it had only one reporting unit as of December 31, 2015.

Long-term investments, net

The Company's long-term investments consist of cost method investments and equity method investments.

In accordance with ASC subtopic 325-20 ("ASC 325-20"), *Investments-Other: Cost Method Investments*, for investments in an investee over which the Company does not have significant influence and which do not have readily determinable fair value, the Company carries the investment at cost and only adjusts for other-than-temporary declines in fair value and distributions of earnings that exceed the Company's share of earnings since its investment. Management regularly evaluates the impairment of the cost method investments based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee's cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in earnings equal to the excess of the investment's cost over its fair value at the balance sheet date of the reporting period for which the assessment is made. The fair value would then become the new cost basis of investment.

Cost method accounting is also applied to investments that are not considered as "in-substance" common stock investments, and do not have readily determinable fair values.

Investments in entities in which the Company can exercise significant influence but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323 ("ASC 323"), Investments-Equity Method and Joint Ventures. Under the equity method, the Company initially records its investment at cost and the difference between the cost of the equity investee and the fair value of the underlying equity in the net assets of the equity investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. The Company subsequently adjusts the carrying amount of the investment to recognize the Company's proportionate share of each equity investee's net income or loss into earnings after the date of investment. The Company will discontinue applying the equity method if an investment (and additional financial supports to the investee, if any) has been reduced to zero. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

Business combinations

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC topic 805 ("ASC 805"): Business Combinations. The acquisition method of accounting requires all of the following steps: (i) identifying the acquirer, (ii) determining the acquisition date, (iii) recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree and (iv) recognizing and measuring goodwill or a gain from a bargain purchase. The consideration transferred in a business combination is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total of cost of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive loss as a gain.

The determination and allocation of fair values to the identifiable assets acquired, liabilities assumed and noncontrolling interests is based on various assumptions and valuation methodologies requiring considerable judgment from management. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. The Company determines discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets, forecasted life cycle and forecasted cash flows over that period.

Impairment of long-lived assets

The Company evaluates its long-lived assets or asset group with finite lives for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of its long-lived assets or asset group may not be fully recoverable. When these events occur, the Company evaluates the impairment by comparing the carrying amount of the assets to future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment loss based on the excess of the carrying amount of the long lived assets or asset group over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets or asset group when the market prices are not readily available for the long-lived assets or asset group. No impairment charge was recognized for any of the years presented.

Convertible debt instruments

ASC topic 815 ("ASC 815"), Derivatives and Hedging, requires all contracts which meet the definition of a derivative to be recognized on the balance sheet as either assets or liabilities and recorded at fair value. Changes in the fair value of derivative financial instruments are recognized periodically in earnings if it does not qualify for hedge accounting. The Company considers the Cash Conversion Subsections under ASC subtopic 470-20 ("ASC 470-20"), Debt with Conversion and Other Options, in accounting for its long-term debt that may be settled in cash or other assets upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative instrument under ASC 815. ASC470-20 requires a convertible debt instrument to be separated into its liability and equity components by allocating the issuance proceeds to each of those components. The debt component is initially measured at its fair value considering all terms except the conversion option. The equity component is classified in stockholders' equity (deficit) and measured as the residual amount. The resulting excess of the principal amount of the liability component over its carrying amount is amortized to interest cost using interest method. The equity component shall not be remeasured as long as it continues to meet the equity classification.

If a convertible debt instrument within the scope of the Cash Conversion Subsections contains embedded features other than the embedded conversion option, ASC 815 shall be applied to determine if any of those features must be separately accounted for as a derivative instrument. Transaction costs incurred with third parties other than the investors and that directly relate to the issuance of convertible debt instruments within the scope of the Cash Conversion Subsections are allocated to the liability and equity components in proportion to the allocation of proceeds and accounted for as debt and equity issuance costs, respectively.

If an instrument within the scope of the ASC 470-20 is derecognized, the Company allocates the consideration transferred and transaction costs incurred to the extinguishment of the liability component and the reacquisition of the equity component.

To account for the extinguishment of the instrument, an amount equal to the fair value of the liability component immediately prior to extinguishment is deducted from the fair value of the total settlement consideration transferred and allocated to the liability component. Any difference between the amount allocated to the liability and the net carrying amount of the liability component, including any unamortized debt issue costs, is recognized in earnings as a gain or loss on debt extinguishment. Any remaining consideration is allocated to the reacquisition of the equity component and recognized as a reduction of shareholders' equity.

Revenue recognition

The Company's revenue is primarily derived from flight and flight related services, accommodation reservation services, display advertising services and other services. Revenue is recognized when persuasive evidence of an arrangement exists, service has been performed, price is fixed or determinable and the collectability of the related fee is reasonably assured in accordance with ASC 605, *Revenue Recognition* ("ASC 605"). Specifically, contracts are signed to establish significant terms such as the price and specific services to be provided. The Company assesses the creditworthiness of its customers prior to signing the contracts to ensure collectability is reasonably assured. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as customer advances and deposits.

When flight and flight related services, display advertising services and other services arrangements with a customer involve multiple elements as defined in ASC 605-25, the total arrangement consideration is allocated to the separate deliverables on the basis of their relative selling price. Relative selling price is based on vendor specific objective evidence ("VSOE") if available, third-party evidence ("TPE") if VSOE is not available or management's best estimate of selling price ("BESP") if neither VSOE nor TPE are available. In determining its BESP for each deliverable, the Company considers its overall pricing model and objectives, as well as market or competitive conditions that may impact the price at which the Company would transact if the deliverables were sold regularly on a standalone basis. In addition, the consideration allocated to the delivered element is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions. The Company monitors the conditions that affect its determination of selling price for each deliverable and reassesses such estimates periodically.

Flight and flight related services

Flight and flight related services revenues mainly represent commission revenues from reservations of air tickets and related services. The Company receives fees from OTAs and airlines for reservations and sales of flight related services, including the sales of insurance policies on the Company's website and mobile platform. Fees from flight and flight related services are recognized as revenue, net of estimated cancellations, upon the issuance of flight tickets by OTAs or airlines. Estimated cancellations were insignificant for the years ended December 31, 2013, 2014 and 2015. The Company considers the above arrangements in accordance with ASC 605 and has concluded that it acts as an agent, generally, does not assume inventory risks. Therefore, the Company presents revenues from such transactions on a net basis in the consolidated statements of comprehensive loss.

In 2015, the Company pre-purchases air tickets from airlines to sell on its website and mobile platform. On such transactions, the Company acts as the principal and presents revenues on a gross basis. Revenues recognized on a gross basis represent the sales prices of the air tickets sold and the costs of the air tickets paid to the airlines are recorded as "cost of revenues" in the consolidated statements of comprehensive loss.

Accommodation reservation services

The Company receives commissions from hotels and OTAs for hotel room reservations through the Company's website and mobile platform. Fees from hotel reservation services are recognized upon the reservation of the hotel rooms or after confirmation with the hotel that the end user has completed his or her stay depending on the terms and conditions of the underlying contract. When the Company's contracts with the hotels state that the Company earns the fees regardless of whether the end users complete their stay at the hotels, fees are recognized upon the reservation of the hotel room. The Company presents revenues from such transactions on a net basis where the Company acts as an agent which does not assume inventory risk for hotel room nights.

In 2015, the Company pre-purchases hotel rooms from hotels to sell on its website and mobile platform. On such transactions, the Company acts as the principal and presents revenues on a gross basis. Revenues recognized on a gross basis represent the sales prices of the hotel rooms sold and the costs of the hotel rooms paid to the hotels are recorded as "cost of revenues" in the consolidated statements of comprehensive loss.

Display advertising services

The majority of the Company's display advertising service arrangements involves multiple deliverables such as banner advertisements, logos and other media insertions that are delivered over the same period or different periods of time. The Company, as an industry practice in the PRC, regularly provides display advertising services at a discount to its standard rates. These discounts are in the form of free advertising elements, of which the duration and other terms of services are specified as part of the revenue contract. The banner advertisements, logos, other media insertions and free elements are each considered to be a separate deliverable in the multiple element arrangements.

Revenue is recognized ratably when the deliverables are published over the stated display period.

Rebates provided to customers of display advertising services

The Company provides cash incentives in the form of rebates to certain advertising agencies based on the cumulative advertising volume during each fiscal year. Such rebates are recorded as a reduction of revenue in the period revenue is recognized. Rebates to advertising agencies amounted to RMB7,878, RMB11,925 and RMB19,155 (US$2,957) for the years ended December 31, 2013, 2014 and 2015, respectively.

Other services

The other services primarily represent commissions received from OTAs and local tour agencies for the reservation of vacation packages on the Company's website, reservation of railway tickets and car tickets, third-party online payment platforms for payments originating from user online bookings through the Company's website or mobile platform. The commission is based on a contracted percentage of the total payments processed. Revenue is recognized, on a net basis, when the four revenue recognition criteria in accordance with ASC 605 as shown above have been met. When the Company acts as the principal in selling pre-purchased services such as vacation packages assuming inventory risk, the Company presents revenues on a gross basis in "Other services" in the consolidated statements of comprehensive loss.

Revenues from flight and flight related, accomodation reservation and other services booked on a gross basis were RMB604,519 (US$93,322) for the year ended December 31, 2015.

Coupon programs

In 2015, the Company launched various coupon programs through which the Company offers incentives to end users primarily under the services arrangements where the Company acts as an agent to its customers including OTA, airlines and hotels:

a. Red pocket coupons

The Company issues "red pocket coupons" to end users upon their completion of certain actions unrelated to the purchases of customer products on the Company's mobile platform, or from time to time, without any actions required from the end users. The red pocket coupons can be used primarily in future purchases of eligible customer products offered on the Company's mobile platform reducing purchase price. The red pocket coupons expire at the end of the quarter during which they are issued.

b. Consumption points program

The Company issued "consumption points" that the end users accumulate from purchases of all customer products offered on the Company's website and mobile platform. Consumption points are convertible into red pocket coupons that can be used to reduce the purchase price of eligible customer products offered on the Company's mobile platform in future purchases. The consumption points could convert to red pocket coupons which expire at the end of the quarter during which they are granted.

c. Product-specific coupons

Product-specific coupons for car service or movie tickets, issued with or without the end users completing current purchases on the Company's platforms, can be used against future purchases of the same products to reduce purchase price. The product-specific coupons generally expire within 3 months from issuance.

As the end users are required to make future purchases of the customers' products on the Company's website or mobile platform to redeem the coupons, the Company recognizes the amounts of coupons redeemed by the end users as marketing expense when future purchases are made. Whereas the Company presents coupons issued to end users in connection with current sales to customers as reduction of revenue. When coupons are redeemed in sales under arrangements where the Company acts as the principal, the amount of coupons redeemed by customers are presented as reduction of revenue.

Cost of revenues

Cost of revenues consists primarily of sales taxes (including business tax and output value-added tax) and surcharges, cost of the air tickets and hotel rooms purchased from airlines and hotels, online payment processing fees, travel related data acquisition costs, bandwidth and server hosting costs, depreciation, payroll and related costs of operations.

The Company incurs sales taxes and surcharges in connection with the provision of flight and flight related services, accommodation reservation services, display advertising services and other services in the PRC. According to ASC 605, the Company includes such taxes incurred in cost of revenues which amounted to RMB83,641, RMB164,894 and RMB256,246 (US$39,558) for the years ended December 31, 2013, 2014 and 2015, respectively.

Advertising expenses

Advertising expenses, other than expense from Baidu Zhixin Cooperation (Note 13), which primarily includes online marketing expenses and brand marketing expenses through various other forms of media, are included in sales and marketing expenses in the consolidated statements of comprehensive loss. Online marketing expenses include search engine fees, link placement fees and contextual advertising placement fees for the acquisition of traffic to the Company's website or mobile platform when incurred. Online marketing expenses also include expenses incurred for the promotion of the Company's mobile applications. Advertising expenses for the years ended December 31, 2013, 2014 and 2015 were RMB208,230, RMB595,476 and RMB1,737,490 (US$268,222), respectively.

Product sourcing

Product sourcing expenses primarily consist of expenses incurred to develop and maintain the network of the Company's travel service providers.

Product developments

Product development expenses primarily consist of salaries and related compensations for product development personnel who are responsible for developing, improving as well as maintaining the Company's website and mobile platform. Product development expenses are recognized as incurred. The Company recognizes website and software development costs in accordance with ASC 350, *Intangibles-Goodwill and Other*. The Company expenses all costs that are incurred in connection with the planning and implementation phases of development and costs that are associated with repair or maintenance of the existing websites or the development of software for internal use and website contents. The Company capitalizes software development costs that fulfill the capitalization criteria. Website and software development costs subject to capitalization have been insignificant.

Leases

Leases are classified as either capital or operating leases at the inception date. Leases that transfer substantially all the benefits and risks incidental to the ownership of assets are accounted for as if there was an acquisition of an asset and incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases and such rental payments are expensed on a straight-line basis over the periods of their respective lease terms. The Company leases office space and server racks under operating lease agreements. Certain of the lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the lease property for purposes of recognizing lease expense on a straight-line basis over the term of the lease.

The Company had no capital leases as of December 31, 2014 and 2015.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

In accordance with the provisions of ASC 740, *Income taxes,* the Company recognizes in its financial statements the benefit of a tax position if the tax position is more likely than not to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Company estimates its liability for unrecognized tax benefits which may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from the Company's estimates. As each tax audit is concluded, adjustments, if any, are recorded in the Company's financial statements. Additionally, in future periods, changes in facts, circumstances and new information may require the Company to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. The Company has elected to classify interest and penalties related to unrecognized tax benefits in the consolidated statements of comprehensive loss as income tax expense.

Share-based compensation

Options granted to employees

The Company applies ASC 718, *Compensation — Stock Compensation* ("ASC 718") to account for its employee share-based compensation.

In accordance with ASC 718, the Company determines whether an award should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees classified as equity awards are recognized in the financial statements based on their grant date fair values. Specifically, the grant date fair value of share options are calculated using an option pricing model. The Company has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date.

For certain share options granted to corporate headquarter employees prior to December 9, 2015, there was a performance target that affects the exercisability of the award, which can be achieved after the requisite service period. That is, the employee was eligible to vest in the award regardless of whether the employee was rendering service on the date the performance target is achieved. The Company accounts for the performance target as a performance condition. As such, the performance target was not reflected in estimating the fair value of the award at the grant date. Compensation cost was recognized in the period in which it became probable that the performance target would be achieved. If the performance target became probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost was recognized prospectively over the remaining requisite service period.

The service inception date is the date at which the requisite service period begins. If it is determined that the service inception date precedes the grant date, recognition of compensation cost for the period between the service inception date and the grant date is based on the fair value of the award at the reporting dates that occur before the grant date. The service inception date precedes the grant date if an award is authorized, the recipient begins to provide services and either the award's terms do not include a substantive future requisite service condition that exists at the grant date or the award contains a market or performance condition that if not satisfied during the service period preceding the grant date and following the inception of the arrangement results in forfeiture of the award. An award is authorized when all approval requirements are completed, including action by the Board of Directors approving the award and the number of options or other equity instruments to be issued to individual employees.

To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent the Company revises these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. The Black-Scholes-Merton option pricing model was applied in determining the estimated fair value of the options granted to employees.

According to ASC 718, a change in any of the terms or conditions of stock options shall be accounted for as a modification of the plan. Therefore, the Company calculates incremental compensation cost of a modification as the excess of the fair value of the modified option over the fair value of the original option immediately before its terms are modified, measured based on the share price and other pertinent factors at the modification date. For vested options, the Company would recognize incremental compensation cost in the period the modification occurs and for unvested options, the Company would recognize, over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date.

Warrants issued to non-employees

The Company accounted for the warrants issued to non-employees following the measurement guidance in ASC505-50, *Equity, Equity-Based Payments to Non-Employees* and classified the warrants issued as a liability pursuant to the classification guidance in ASC 505-50-25-10 and ASC 718-10-25-11.

For the warrants issued to non-employees that was classified as liabilities, it was measured at fair value at each reporting date until the final measurement date, which was the date of completion of services required to earn the warrants. The cost associated with the warrants issued was recognized ratably over the period of service required to earn each tranche of warrants. Upon vesting, the warrants continue to be accounted for as a liability in accordance with ASC 480-10-25-8 and measured in accordance with ASC 480-10-35 at every reporting period until the warrants were settled. Changes in the fair value of the vested warrants were recognized in earnings in the accompanying consolidated statements of comprehensive loss.

Loss per share

Loss per share is calculated in accordance with ASC 260, *Earnings Per Share*. Basic loss per common share is computed by dividing net loss attributable to holders of common shares by the weighted average number of common shares outstanding during the period using the two-class method. Under the two-class method, net income is allocated between ordinary shares and participating securities based on dividends declared (or accumulated) and participating rights in undistributed earnings as if all the earnings for the reporting period had been distributed. For the years ended December 31, 2013, 2014 and 2015, the two-class method is applicable because the Company has two classes of ordinary shares outstanding, Class A and Class B ordinary shares, respectively (note 17). The participation rights (liquidation and dividend rights) of the holders of the Company's Class A and Class B ordinary shares are identical, except with respect to voting and conversion. As a result, and in accordance with ASC 260, *Earnings Per Share*, the undistributed income for each year is allocated based on the contractual participation rights of the Class A and Class B ordinary shares. As the liquidation and dividend rights are identical, the undistributed income is allocated on a proportionate basis.

Basic loss per ordinary share is computed by dividing loss attributable to holders of ordinary shares by the weighted-average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of ordinary shares issuable upon the conversion of share options, long-term debt and Baidu Warrants, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted loss per share if their effects would be anti-dilutive. Basic and diluted loss per ordinary share is presented in the Company's consolidated statements of comprehensive loss.

Comprehensive loss

Comprehensive loss is defined to include all changes in shareholders' equity (deficit) except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220-10, *Comprehensive Income: Overall* requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Company's comprehensive loss includes foreign currency translation adjustments and is presented in the consolidated statement of comprehensive loss. There have been no reclassifications out of accumulated other comprehensive (loss) income to net loss for the periods presented.

Segment reporting

In accordance with ASC 280, *Segment Reporting*, the Company's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one operating segment as its reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. The Company's long-lived assets are substantially all located in the PRC and substantially all the Company's revenues are derived from within the PRC. Therefore, no geographical segments are presented.

Contingencies

When a loss contingency is at least reasonably possible, then the Company discloses an estimate of the loss or range of loss, if such estimate can be made and material, or states that such estimate is immaterial if it can be estimated but immaterial, or discloses that an estimate cannot be made. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involve complex judgments about future events. Management is often unable to estimate the loss or a range of loss, particularly where (i) the amounts including damages sought are indeterminate, (ii) the proceedings are in the early stages, or (iii) there is a lack of clear or consistent interpretation of laws specific to the matter among different jurisdictions. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including eventual loss, fine, penalty or business impact, if any.

Concentration of risks

Concentration of credit risk

Financial instruments that are potentially subject to credit risk consist of cash and cash equivalents, restricted cash, accounts and funds receivable, short-term investments, and employee housing loan receivables (Note 21). The carrying amounts of these financial instruments represent the maximum amount of loss due to credit risk. The deposits placed with financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, the Company may be unlikely to claim its deposits back in full. Management believes that these financial institutions are of high credit quality and continually monitors the credit worthiness of these financial institutions.

Accounts receivable are typically unsecured and are derived from revenue earned from customers. The risk is mitigated by credit evaluations the Company performs on its customers' financial conditions and ongoing monitoring process of outstanding balances. Funds receivable represent amount due from third-party payment service providers. The Company carefully considers and monitors the credit worthiness of the third-party payment service providers to mitigate any risks associated with funds receivable. Employee housing loan receivables are typically unsecured. The risk is mitigated by the Company's ongoing monitoring of outstanding balances. The Company maintains reserves for estimated credit losses and these losses have generally been within expectations. No customer individually represented greater than 10% of the total accounts receivable as of December 31, 2014 and 2015.

Business, customer, political, social and economic risks

The Company participates in a dynamic high technology industry and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations or cash flows: changes in the overall demand for services and products; competitive pressures due to new entrants; advances and new trends in new technologies and industry standards; changes in bandwidth suppliers; changes in certain strategic relationships or customer relationships; regulatory considerations; copyright regulations; and risks associated with the Company's ability to attract and retain employees necessary to support its growth.

The Company's operations could be adversely affected by significant political, economic and social uncertainties in the PRC. Internet and advertising related businesses are subject to significant restrictions under current PRC laws and regulations. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any Internet content provider business. In addition, PRC regulations generally require any foreign entities that invest in the advertising services industry to have at least a two-year track record with a principal business in the advertising industry outside of the PRC.

Currently, the Company conducts its operations in the PRC through Contractual Agreements entered between the Company, the WFOE and the Affiliated PRC Entities. Based on the opinion of TransAsia Lawyers, the Company's PRC legal counsel, the corporate structure and Contractual Agreements of the Affiliated PRC Entities and the PRC subsidiaries are in compliance with all existing PRC laws and regulations. Therefore, in the opinion of management, (i) the ownership structure of the Company and the Affiliated PRC Entities is in compliance with existing PRC laws and regulations; (ii) the Contractual Agreements with the VIE and its Nominee Shareholders are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Company's business operations are in compliance with existing PRC law and regulations in all material respects. However, the legal system in PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit the Company's ability to enforce these Contractual Agreements. In addition, the relevant regulatory authorities may find the current Contractual Agreements and businesses to be in violation of any existing or future PRC laws or regulations. If the Company or any of its current or future Affiliated PRC Entities are found in violation of any existing or future laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including revoking the business licenses or operating licenses of the WFOE, and Affiliated PRC Entities, shutting down the Company's servers or blocking the Company's websites, discontinuing or placing restrictions or onerous conditions on the Company's operations.

The Affiliated PRC Entities contributed 9.2%, 7.8% and 32.0% of the Company's consolidated revenues for the years ended December 31, 2013, 2014 and 2015, respectively.

Currency convertibility risk

A majority of the Company's sales and expenses and a significant portion of the Company's assets and liabilities are denominated in RMB. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into United States dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Foreign currency exchange rate risk

Since July 21, 2005, the RMB was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. There was appreciation of RMB against US$ of approximately 2.8% in the year ended December 31, 2013 and depreciation of 2.5% and 4.4% in the years ended December 31, 2014 and 2015, respectively. It is difficult to predict how market forces or PRC or US government policy may impact the exchange rate between the RMB and the US$ in the future. Any significant revaluation of RMB may materially and adversely affect the Company's cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, the ADS in US$.

Recently issued accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09 ("ASU 2014-09"), *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of the promised goods or services to customers in an amount that reflects the consideration to which entity expects to be entitled to in exchange for goods or services. The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2016, including interim period within that reporting period. Early adoption is not permitted. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers-Deferral of the effective date* ("ASU 2015-14"). The amendments in ASU 2015-14 defer the effective date of ASU 2014-09 issued in May 2014. According to ASU 2015-14, the new revenue guidance ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is in the process of evaluating its contracts with customers under the new standard and cannot currently estimate the financial statement impact of adoption.

In April 2015, the FASB issued ASU No. 2015-03 ("ASU 2015-03"), *Interest — Imputation of Interest*. To simplify presentation of debt issuance costs, ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company early adopted ASU 2015-03 in April 2015. The Company has determined and elected to early adopt the guidance.

In September 2015, the FASB issued ASU No. 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*, which eliminates the requirement for acquirers in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts that would have been recorded in previous periods if the accounting had been completed at the acquisition date. This update is effective for interim and annual periods beginning after December 15, 2015, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740)*: *Balance Sheet Classification of Deferred Taxes*, which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. The amendments in this update are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. All short-term deferred tax assets and liabilities will be reclassified to long-term assets and liabilities upon adoption of this update. The Company is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

In February, 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet. This standard also requires additional disclosures by lessees and contains targeted changes to accounting by lessors. The updated guidance is effective for interim and annual periods beginning after December 15, 2018, and early adoption is permitted. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. The Company is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

In March 2016, the FASB issued ASU No. 2016-07, *Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting*, which eliminates the requirement to retrospectively apply the equity method in previous periods. Instead, the investor must apply the equity method prospectively from the date the investment qualifies for the equity method. The amendments in this update are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

3. Acquisitions

On January 31, 2015, the Company acquired 55% equity interest of a B2B flight ticket reservation company to enrich its products and achieve synergies with its existing operations for total consideration of RMB11,000 in cash. Goodwill recognized from the acquisition was RMB10,755 (US$1,660). On December 3, 2015, the Company further acquired remaining 45% equity interest from three noncontrolling shareholders with consideration of RMB6,300 (US$973) in cash. Concurrently, the Company provided RMB2,700 (US$417) in cash as compensation for key management future services. Such employee compensation expense is charged to the statements of comprehensive loss over future service period of one year on a straight line basis. The difference between the fair value of the consideration and the carrying amount of the noncontrolling interest was recognized in additional paid-in-capital.

No purchase price allocation or pro forma results of operation of this acquisition have been presented because management considers the effect of the acquisition is immaterial to the Company's consolidated financial results.

The revenue and net loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive loss for the year ended December 31, 2015 were RMB2,893 (US$447) and RMB14,126 (US$2,181), respectively.

4. Accounts receivable, net

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
Accounts receivable	176,273	294,253	45,425
Less: allowance for doubtful accounts	(10,869)	(15,871)	(2,450)
	165,404	278,382	42,975

The movements in the allowance for doubtful accounts were as follows:

	Years ended December 31,		
	2014	2015	
	RMB	RMB	US$
Balance at beginning of the year	8,758	10,869	1,678
Additions	2,199	5,849	903
Write-offs	(88)	(847)	(131)
Balance at end of the year	10,869	15,871	2,450

5. Prepayments and other current assets

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
Prepaid travel related data acquisition costs	24,043	23,036	3,556
Deposits and advances to suppliers	91,148	550,159	84,930
Prepaid expenses	22,178	46,763	7,219
Receivable from employees	33,578	405,333	62,573
Receivable from broker for exercise of share options	26,308	11,114	1,716
Other receivables	62,479	284,087	43,855
Total	259,734	1,320,492	203,849

6. Property and equipment, net

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
Office furniture and equipment	33,112	42,198	6,514
Office computer equipment	56,089	71,399	11,022
Servers and network equipment	84,219	145,296	22,431
Software	17,030	26,351	4,068
Digital locks	4,551	62,060	9,580
Leasehold improvements	55,811	73,621	11,365
Total	250,812	420,925	64,980
Accumulated depreciation	(101,505)	(188,840)	(29,152)
Property and equipment, net	149,307	232,085	35,828

Depreciation expenses for the years ended December 31, 2013, 2014 and 2015 were RMB22,735, RMB52,048 and RMB 110,915 (US$17,122), respectively.

7. Long-term investments, net

The Company's long-term investments consist of cost method investments and equity method investments.

The carrying amount of the Company's cost method investments was RMB103,175 and RMB630,602 (US$97,348) as of December 31, 2014 and 2015, respectively. The increase in balance from 2014 was primarily due to additional investment made in 2015.

The carrying amount of the Company's equity method investments was nil and RMB82,365 (US$12,715) as of December 31, 2014 and 2015, respectively. The Company shared loss of nil, nil and RMB5,840 (US$902) from its equity method investments during the years ended December 31, 2013, 2014 and 2015, respectively.

The Company recognized impairment charge of nil, nil and RMB39,425 (US$6,086) in 2013, 2014 and 2015, respectively, for certain cost method investees as their financial positions and performance are deteriorating and the Company does not expect them to generate any positive future cash flows.

8. Goodwill and intangible assets

Goodwill

The changes in the carrying amount of goodwill were as follows:

	Years ended December 31,		
	2014	2015	
	RMB	RMB	US$
Balance at beginning of the year	—	—	—
Goodwill acquired (Note 3)	—	10,755	1,660
Foreign currency translation adjustment	—	—	—
Balance at end of the year	—	10,755	1,660

No impairment charge for goodwill was recorded for the years ended December 31, 2014 and 2015.

Intangible assets

Finite-lived intangible asset

The net carrying amount of intangible asset with finite live representing a software acquired in 2015 was RMB8,854 (US$1,367) as of December 31, 2015. Amortization expense of RMB1,146 (US$177) was recognized for the year ended December 31, 2015. The annual estimated amortization expense of the acquired intangible asset for each of the next five years is as follows:

Years ending December 31,	RMB	US$
2016	1,250	193
2017	1,250	193
2018	1,250	193
2019	1,250	193
2020	1,250	193

Indefinite-lived intangible assets

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
Domain name	2,849	2,986	461
Trademark	—	849	131
Total	2,849	3,835	592

No impairment to the intangible assets occurred for the year ended December 31, 2013, 2014 and 2015.

9. Short-term loan

On September 14, 2015, the Company obtained a RMB denominated loan with a principal amount of RMB643,500 (US$99,339) from Xiamen International Bank at an annual interest rate of 1.62%. The short-term bank loan matures in one year and is guaranteed by a deposit of RMB650,000 (US$100,343) by an overseas subsidiary. Interest expense of RMB3,156 (US$487) was recognized during the year ended December 31, 2015.

10. Accrued expenses and other current liabilities

	As of December 31,		
	2014	2015	
	RMB	RMB	US$
Payable to travel service providers ("TSP"s)	673,990	1,381,899	213,328
Payable to end users	65,708	203,083	31,351
Accrued operating expenses	260,332	545,557	84,220
Contract termination loss provision	64,485	—	—
Payable to employees from the exercise of share options	32,305	33,753	5,211
Other tax payable	43,899	949,224	146,535
Accrued sales rebates	14,828	21,435	3,308
Total	1,155,547	3,134,951	483,953

11. Long-term debt

On June 17, 2015, the Company issued US$500,000 senior unsecured convertible notes (the "Notes") to third-parties, SL Camel Holding Ltd. ("SL"), Gaoling Fund L.P and YHG Investment L.P. ("HH"). The Notes bear interest at a coupon rate of 2% per annum with a maturity date of June 17, 2021. The significant terms of the Notes are summarized below:

Conversion and settlement method

The Notes are convertible at any time, at the holders' option, into the Company's ADSs, at an initial conversion price of US$55.00 per ADS, subject to adjustments under the terms of the Notes. Upon conversion, the Company shall pay or deliver its ADSs or cash, or any combination of cash and ADSs at the Company's election.

Repurchase

If the Company undergoes a Fundamental Change as defined in the agreement of the Notes, holders of the Notes have the right to require the Company to repurchase all or part of the at the repurchase price of 100% of the principal amount plus accrued and unpaid interest.

Redemption

Upon the occurrence of any of the Events of Default as defined in the agreement of the Notes, the outstanding principal and accrued interest of the Notes will become due and payable in full.

Make-whole provision

In an event of Make-Whole Fundamental Change as defined in the agreement of the Notes, the conversion rate applicable to each Note that is surrendered for conversion shall be increased to an amount based on a predetermined formula.

The Company accounted for the Notes under the cash conversion guidance under ASC 470-20 given the conversion option of the Notes is not required to be bifurcated under ASC 815. At issuance, the Company separated the Notes into equity component of RMB569,090 (US$87,852) and debt component of RMB2,534,213 (US$391,215). The allocated issuance costs to the debt component of RMB42,926 (US$6,627) were presented as direct deduction from the principal amounts of the Notes on the consolidated balance sheets. The Company evaluated all the embedded derivative features and concluded that the make-whole provision feature of the Notes should be bifurcated from the debt host. As of the issuance date, the fair value of the make-whole provision feature was immaterial due to the triggering of a fundamental change was determined to being remote.

On October 26, 2015, Make-Whole Fundamental Change and the redemption provision were triggered by the share exchange between Baidu and Ctrip (Note 1). The make-whole provision feature was announced to be effective for the period from October 26, 2015 to December 21, 2015. On December 21, 2015, the make-whole provision feature expired unexercised.

For the year ended December 31, 2015, effective interest rate on the debt component of the Notes was 5.65% and the Company recognized interest expenses of RMB 83,428 (US$12,879).

12. Income taxes

Cayman Islands and Hong Kong

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed. Queen's Road is incorporated in Hong Kong and is subject to Hong Kong profits tax rate of 16.5% for the years ended December 31, 2013, 2014 and 2015.

PRC

The Company's PRC subsidiaries and Affiliated PRC Entities are subject to the statutory rate of 25%, unless otherwise specified, in accordance with the Enterprise Income Tax law (the "EIT Law"), which was effective since January 1, 2008.

Both the WFOE and Qunar.com were recognized as qualified HNTEs in December 2009 and hence were eligible for a 15% preferential tax rate for 2010 and 2011. Both recognitions were renewed on October 2012 and July 21 2015, and hence the WFOE and our Qunar.com are eligible for a 15% preferential tax rate effective from 2012 to 2017.

Under the EIT Law, dividends paid by PRC enterprises out of profits earned post-2007 to non-PRC tax resident investors are subject to PRC withholding tax at 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain jurisdictions.

Loss before income taxes consists of:

	Years ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
Non-PRC	(54,602)	(954,438)	(5,190,211)	(801,230)
PRC	(91,595)	(874,903)	(2,130,496)	(328,892)
	(146,197)	(1,829,341)	(7,320,707)	(1,130,122)

The income tax expense is comprised of:

	Years ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
Current	49,528	32,742	80,669	12,453
Deferred	(8,436)	(15,182)	(57,885)	(8,936)
	41,092	17,560	22,784	3,517

A reconciliation of the differences between the statutory tax rate and the effective tax rate for enterprise income tax is as follows:

		Years ended December 31,			
		2013	2014	2015	
	Notes	RMB	RMB	RMB	US$
Loss before income tax		(146,197)	(1,829,341)	(7,320,707)	(1,130,122)
Expected taxation at PRC EIT statutory rate of 25%		(36,549)	(457,335)	(1,830,177)	(282,531)
Effect of different tax rates in different jurisdictions		14,426	239,800	1,296,116	200,086
Research & development super-deduction		(22,767)	(33,391)	(43,049)	(6,646)
Effect of lower tax rate applicable to HNTE		(20,502)	49,341	200,158	30,899
Late payment interest		1,533	9,256	10,742	1,658
Adjustment of estimated income tax accruals		—	1,759	3,021	467
Deemed revenue	(i)	95,441	113,474	34,806	5,373
Non-deductible expenses		2,668	14,860	25,863	3,993
Changes in valuation allowance		7,446	81,496	326,569	50,413
Non-taxable income		(604)	(1,700)	(1,265)	(195)
Income tax expense		41,092	17,560	22,784	3,517

(i) The Company acts as an agent for its travel facilitating services including transportation insurance policies (the "Transportation Insurance Arrangements") in accordance with ASC 605 and therefore, the Company presents revenues from such transactions on a net basis in the consolidated statements of comprehensive loss. Under the current PRC tax laws and regulations, the Company's existing business arrangement more likely than not will subject the Company to income taxes on a gross basis for the Aviation Insurance Arrangements. The difference between the net revenue and the gross revenue is recognized as deemed revenue for additional income taxes. The associated income tax expense is calculated by applying the applicable tax rate to the deemed revenue amount and includes the late payment interest based on the applicable tax rules. The majority of the liabilities for unrecognized tax benefits represent tax positions taken with respect to deemed revenue. The unrecognized tax benefits are recorded in non-current liabilities in the consolidated balance sheets.

The significant components of deferred taxes are as follows:

	Years ended December 31		
	2014	2015	
	RMB	RMB	US$
Deferred tax assets, current portion:			
Advertising expenses	163	115,671	17,857
Bad debt expenses	1,878	3,299	509
Expense cut-off	—	—	—
Accrued expenses	77,753	170,603	26,336
Accrued salaries and welfare payable	30,549	7,839	1,210
Interest of borrowings	—	3,674	567
Less: valuation allowance	(87,484)	(220,573)	(34,050)
Current deferred tax assets	22,859	80,513	12,429
Deferred tax assets, non-current portion:			
Advertising expenses	6	—	—
Depreciation expenses	525	985	152
Tax loss carry forward	12,634	195,915	30,244
Impairment of long-term investments	—	9,856	1,522
Less: valuation allowance	(13,165)	(206,645)	(31,901)
Non-current deferred tax assets	—	111	17
Deferred tax liabilities, non-current portion:			
Intangible asset	—	(1,318)	(203)

Valuation allowances have been provided on the deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. The Company recorded a full valuation allowance against deferred tax assets of the WFOE and certain Affiliated PRC Entities that were in a cumulative loss position, respectively, as of December 31, 2013, 2014 and 2015.

As of December 31, 2015, the Group had net operating tax loss carry forwards amounted toRMB1,255,770(US$193,857),which will expire from 2018 to 2021 if not used.

Unrecognized tax benefits

As of December 31, 2014 and 2015, the Company recorded RMB152,865 and RMB181,589 (US$28,033) of unrecognized tax benefits, which primarily represent the estimated income tax expenses the Company would pay should its income tax return have been prepared in accordance with the current PRC tax laws and regulations. It is possible that the amount accrued will change in the next 12 months; however, an estimate of the range of the possible change cannot be made at this time.

As of December 31, 2014 and 2015, unrecognized tax benefits of RMB58,818 and RMB70,117 (US$10,824), respectively, if ultimately recognized will impact the effective tax rate.

The unrecognized tax benefit is as follows:

	Years ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
Balance at January 1	32,782	83,677	152,865	23,599
Additions based on tax positions related to the current year	53,745	67,798	23,408	3,614
Additions based on tax positions related to the prior years	—	6,401	79,737	12,309
Reductions based on tax positions related to prior years	(2,850)	(5,011)	(74,421)	(11,489)
Balance at December 31	83,677	152,865	181,589	28,033

During the years ended December 31, 2013, 2014 and 2015, the Company recognized late payment interest expense of RMB1,533, RMB9,256 and RMB10,742 (US$1,658), and penalties of nil, nil and nil, respectively, as part of income tax expense. The Company had accrued approximately RMB11,597 and RMB22,339 (US$3,449) for the late payment of interest as of December 31, 2014 and 2015, respectively.

As of December 31, 2015, the tax years ended December 31, 2010 through 2015 for the Company's PRC subsidiaries and the Affiliated PRC Entities remain subject to examination by the PRC tax authorities.

13. Related party transactions

a) Related parties

Name of related parties	Relationship with the Company
Baidu, Inc.	Ultimate holding company prior to October 26, 2015
Baidu Holdings Limited. ("Baidu Holdings")	An entity controlled by Baidu, Inc.
Baidu Online Network Technology (Beijing) Co., Ltd. ("Baidu Online")	An entity controlled by Baidu, Inc.
Beijing Baidu Netcom Science Technology Co., Ltd. ("Baidu Netcom")	An entity controlled by Baidu, Inc.
FuJian Bo Rui Websoft Technology Co., Ltd. ("Bo Rui")	An entity controlled by Baidu, Inc.
FuJian Bo Dong Cultural Communication Co., Ltd. ("Bo Dong")	An entity controlled by Baidu, Inc.
Beijing Nuo Mi Network Information Technology Co., Ltd. ("Nuo Mi)	An entity controlled by Baidu, Inc.
Baidu.com Times Technology (Beijing) Co., Ltd. ("Baidu Times")	An entity controlled by Baidu, Inc.
Beijing BaiduPay Science and Technology Co., Ltd. ("BaiduPay")	An entity controlled by Baidu, Inc.
Shanghai Baidu Microcredit Co., Ltd.	An entity controlled by Baidu, Inc.
Ctrip.com International, Ltd. ("Ctip.com")	Largest shareholder of the Company effective October 26, 2015
Ctrip and its subsidiaries ("Ctrip")	Entities controlled by Ctrip
eLong, Inc. ("eLong")	An affiliate of Ctrip
Huazhu Hotel Management Co., Ltd. ("Huazhu")	An affiliate of Ctrip
Homeinns Hotel Management Co., Ltd. ("Homeinns")	An affiliate of Ctrip
Baituo Travel Websoft Technology Ltd. ("Baituo")	Equity method investee of the Company

b) The Company had the following related party transactions for the years ended December 31, 2013, 2014 and 2015:

		Years ended December 31,			
		2013	2014	2015	
	Notes	RMB	RMB	RMB	US$
Online marketing services from Baidu Netcom	(i)	91,533	165,058	93,725	14,469
Online marketing services from Bo Rui	(ii)	202	547	18,309	2,826
Online marketing services from Bo Dong		1,195	4,780	475	73
Online marketing services contributed by Baidu, Inc.	(iii)	5,920	3,304	—	—
Online marketing services from Baidu, Inc.		—	4,714	—	—
Online marketing services from Baidu Times	(iv)	—	7,670	15,148	2,338
Online marketing services from Baidu Online	(v)	—	—	93,909	14,497
Online marketing services from Nuo Mi		—	377	3,672	567
Online marketing services from Baidu Zhixin Cooperation	(vi)	—	699,983	37,178	5,739
Loan from Baidu Online	(vii)	150,000	—	1,134,000	175,059
Loan from Baidu Times	(viii)	—	—	639,800	98,768
Repayment of loan from Baidu Online	(vii)	150,000	—	—	—
Repayment of loan from Baidu Netcom	(ix)	50,000	—	—	—
Loan to Baidu Holdings	(x)	—	—	649,880	100,324
Loan to Baituo	(xi)	—	—	31,210	4,818
Loans to Baidu Holdings	(vii)	99,623	—	—	—
Repayment of loan to Baidu Holdings	(vii)	98,975	—	—	—
Compensation received from termination of Baidu Zhixin Cooperation	(vi)	—	—	207,000	31,955
Accommodation reservation commission earned from Homeinns		—	—	4,263	658
Accommodation reservation commission earned from Huazhu		—	—	3,082	477
Imputed interest	(vii),(ix)	2,050	—	—	—
Loan interest expense	(vii),(viii)	115	—	47,112	7,273
Loan interest income	(x)	—	—	1,173	181

(i) During the years ended December 31, 2013, 2014 and 2015, Baidu Netcom provided to the Company online marketing services amounting to RMB91,533, RMB165,058 and RMB93,725 (US$14,469), respectively. As one of the largest online marketing service providers in the PRC, Baidu Netcom typically requires upfront payments from its customers. As of December 31 2014 and 2015, such payments amounted to RMB10,000, RMB22,000 and RMB6,600 (US$1,019), respectively. The related services are expected to be delivered within the next 12 months.

(ii) During the years ended December 31, 2013, 2014 and 2015, Bo Rui provided to the Company online marketing services amounting to RMB202, RMB547 and RMB18,309 (US$2,826), respectively.

(iii) In connection with the Baidu Transaction, the Company and Baidu, Inc. entered into a business cooperation agreement, whereby Baidu, Inc. provides free online marketing services and directs user traffic to the Company's website. The Company recorded online marketing expenses based on the Company's estimate of the expenses that would have been incurred if the Company had operated as an unaffiliated entity with a corresponding credit to additional paid in capital. The term of the business cooperation agreement is for an initial term of three years (the "Initial Term"); provided, however that notwithstanding Baidu, Inc.'s Non-Competition Undertaking to the Company survive until the later of (i) the expiration of the Initial Term and (ii) the date on which Baidu, Inc. and its controlled affiliates hold less than 50% of the voting power attaching to the outstanding shares of the Company (on a fully-diluted basis). The business cooperation agreement expired in July, 2014. Upon its expiration, the Company started to pay other related parties of Baidu, Inc. for the aforementioned online marketing services provided.

(iv) During the years ended December 31, 2013, 2014 and 2015, Baidu Times provided to the Company online marketing services amounting to nil, RMB7,670 and RMB15,148 (US$2,338), respectively.

(v) On June 1, 2015, the Company and Baidu Online entered into a business cooperation agreement, under which Baidu Online agreed to grant the Company an exclusive right to integrate its hotel information and products into the personal computer and mobile versions of Baidu Maps. The Company will display location-based hotel data through the Baidu Maps interface. Users can click on the displayed hotels to view hotels and to complete bookings. The Company pays Baidu Online cash amount at a certain percentage of gross revenue the Company earns pursuant to this agreement in exchange for the services Baidu Online provides to the Company. This agreement will expire in May 2016 subject to renewal negotiation between both parties.

(vi) On October 1, 2013, in order to further enhance the cooperation between the Company and Baidu, Inc. in the online travel business through deepening integration, the Company and Baidu, Inc. entered into the Zhixin Cooperation Agreement, for an initial term starting from November 21, 2013 until December 31, 2016, subject to an automatic renewal for seven years unless agreed otherwise by both parties. Under the Zhixin Cooperation Agreement, Baidu, Inc. agreed to grant the Company the exclusive right to operate certain new search products on Baidu's website for travel-related search results (the "Cooperation Platform"), and the Company may offer links to various travel-related products, including links to the Company's website, such as airline tickets, hotels and certain commercial package tour products provided through the Cooperation Platform.

Pursuant to the Zhixin Cooperation Agreement, Baidu, Inc. agreed to guarantee certain minimum page views to be generated from users of the Cooperation Platform, which will be no less than 2,190 million page views per year in 2014 and 2015, respectively, and no less than 2,196 million page views for 2016 (the "Minimum Traffic Guarantee" or "MTG").

In exchange for the services to be performed under the Zhixin Cooperation Agreement, on November 21, 2013, the Company issued to Baidu, Inc. warrants for 45,800,000 of the Company's Class B Ordinary Shares (the "Baidu Warrants"), which is calculated by dividing US$229,000 by the public offering price of the Company's Class B ordinary shares, or US$5 per Class B ordinary share, subject to adjustments as discussed below. The Baidu Warrants have no exercise price; thus are more akin to nonvested redeemable restricted stock units. The Baidu Warrants are exercisable in independent tranches of 11,450,000 or 25% from January 15, 2015, 16,030,000 or 35% from January 15, 2016 and 18,320,000 or 40% from January 15, 2017 and will expire on December 31, 2019. As long as the pre-existing non-competition undertaking remains in effect, Baidu, Inc. has the option to redeem all or part of the Baidu Warrants for (i) Class B ordinary shares (the "Share Settlement"); or (ii) cash equal to US$5 per warrant. If Baidu, Inc. terminates its pre-existing non-competition undertaking, Baidu, Inc. can only choose to settle a portion of the Baidu Warrants by Share Settlement to enable it to hold up to 49.9% of the Company's voting rights and the remaining Baidu Warrants must be settled in cash at an amount that equals the higher of US$5 per Class B ordinary share or the average closing price of the Company's Class B ordinary share on NASDAQ Global Market for the ten days preceding the settlement.

For any year during the initial term, if the Company fails to meet the applicable benchmark revenue (the "Benchmark Revenue") as defined below, and Baidu, Inc. fails to fulfill 90% of the applicable MTG (the "Benchmark MTG"), the number of underlying Class B ordinary shares issuable upon exercise of the relevant tranche of Baidu Warrants with respect to that year would be adjusted downward in proportion to the deficit of the Benchmark MTG. Under the Zhixin Cooperation Agreement, the Company has agreed to make its best business efforts to achieve an agreed-upon Benchmark Revenue of RMB480,000, RMB630,000 and RMB800,000 for 2014, 2015 and 2016, respectively. In any year that the Company's revenues exceeds the Benchmark Revenue applicable to that year, Baidu, Inc. will also be entitled to cash payment equal to 76% of the excess revenue for that year.

The Company accounted for the Baidu Warrants following the measurement guidance in ASC505-50, *Equity, Equity-Based Payments to Non-Employees* and classified the entire Baidu Warrants as a liability pursuant to the classification guidance in ASC 505-50-25-10 and ASC 718-10-25-11.

The Baidu Warrants is measured at fair value at each reporting date until the final measurement date, which is the date of completion of services required to earn each relevant tranche. The cost associated with the warrants issued pursuant to the Zhixin Cooperation Agreement has been recognized ratably over the period of service required to earn each tranche of warrants based upon the number of the Baidu Warrants and taking into account the potential effect of the downward adjustment to the number of underlying shares in the event the contractual benchmarks are not achieved by Baidu. Upon vesting, the Baidu Warrants should continue to be accounted for as a liability in accordance with ASC 480-10-25-8 and measured in accordance with ASC 480-10-30 and ASC 480-10-35 at every reporting period until the Baidu Warrants are settled. Changes in the fair value of each vested tranche of the Baidu Warrants will be recognized in earnings in the accompanying consolidated statements of comprehensive loss.

For the period from October 1, 2013 through December 31, 2013, the Cooperation Platform was still in the testing phase and therefore, no meaningful traffic was generated. Based on the above, the Zhixin Cooperation Agreement with Baidu, Inc. did not have any material impact to the Company's consolidated financial statements for the year ended December 31, 2013. The Cooperation Platform was officially launched on January 1, 2014 and the services pursuant to the Zhixin Cooperation Agreement commenced on the same day.

On June 1, 2015, Baidu, Inc. and the Company mutually agreed to terminate the Zhixin Cooperation Agreement with immediate effect as permitted under the agreement. Both parties agreed that Baidu, Inc. would pay the Company a cash consideration of RMB207,000 (US$31,955) in connection with the termination. The consideration received from Baidu, Inc. as the Company's vendor was presumed to be a reduction of price of the services provided by Baidu per ASC 605-50-45-12. The online marketing expense for Baidu Zhixin Cooperation was RMB699,983 and RMB37,178 (US$5,739) for the years ended December 31, 2014 and 2015, respectively, and nil and RMB143,584 (US$22,166) of the cash consideration received were recognized as deduction to online marketing expense, respectively.

Concurrently with the termination of the Zhixin Cooperation Agreement, Baidu, Inc. fully exercised the first independent tranche of the Baidu Warrants for services provided to the Company in 2014 into 11,450,000 Class B ordinary shares. The Company recognized remeasurement loss of RMB397,987 (US$61,439) for the first 5 months of 2015 immediately before the warrants were exercised. The cash consideration received from Baidu, Inc. was recorded in "Accrued expenses and other current liabilities" on the Company's consolidated balance sheet to be recognized prospectively against future Baidu service payments pursuant to ASC 605-50-45-13 as consideration received from a vendor.

(vii) On April 22, 2013, the Company was granted an interest free loan amounting to RMB100,000 (US$15,437) from Baidu Online with a repayment term of three months to supplement the Company's RMB working capital needs and to provide RMB funding for establishing a new entity in the PRC. In order to secure such loan, on the same day, the Company also granted an interest free loan amounting to US$11,174 to Baidu Holdings with the same three month repayment term, and extended the repayment term of the November 1, 2012 interest free loan amounting to US$5,000 by three months. Both the loans granted by the Company to Baidu Holdings were to reciprocate the interest free loan from Baidu Online. On July 22, 2013, the Company repaid the RMB100,000 loan to Baidu Online in full. The Company recorded imputed interest expense amounting to RMB1,376 (US$212) relating to this loan based on the market interest rate of 5.6%. On August 6, 2013, Baidu Holdings also repaid both the US$11,174 and US$5,000 loan, respectively to the Company in full. On September 27, 2013, the Company was granted a loan amounting to RMB50,000 with an annual interest rate of 6% from Baidu Online with a repayment term of 15 days to supplement the Company's RMB working capital needs. On October 12, 2013, the Company repaid the RMB50,000 loan to Baidu Online in full. The Company recorded interest expense amounting to RMB115 (US$18) relating to this loan.

On February 27, 2014, the Company entered into a US$300,000 revolving credit facility agreement with Baidu, Inc.. The three-year credit facility bears no commitment fee. Any drawdown bears interest at a rate of 90% of the benchmark lending rate published by the People's Bank of China and shall be repaid within three years from the drawdown date. The Company is allowed to repay its outstanding debt obligation at maturity either by cash or by issuance of Class B ordinary shares. The applicable share conversion price will be determined by the prevailing share price at the maturity date. On March 12 and May 4, 2015, the Company drew down RMB507,000 (US$78,267) and RMB627,000 (US$96,792) respectively, pursuant to the revolving credit facility agreement. The Company recorded interest expense amounting to RMB42,182 (US$6,512) for the year ended December 31, 2015. The Company fully repaid these loans in March 2016.

(viii) On October 26, 2015, the Company was granted a loan amounting to RMB639,800 (US$98,768) from Baidu Times. The loan bore an interest at 4.14% with a repayment term of 12 months. The Company recorded interest expense amounting to RMB4,930 (US$761) for the year ended December 31, 2015. The Company fully repaid the loan in March 2016.

(ix) On December 28, 2012, the Company was granted an interest free loan amounting to RMB50,000 from Baidu Netcom with a repayment term of six months. The Company repaid the loan in full on March 27, 2013. The Company recorded imputed interest expense amounting to RMB674 for the year ended December 31, 2013 relating to this loan based on the market interest rate of 5.6%.

(x) On October 27, 2015, the Company granted a loan amounting to US$100,000 to Baidu Holdings. The loan bore an interest at 1.00% with a repayment term of 12 months. The Company recorded interest income amounting to RMB1,173 (US$181) for the year ended December 31, 2015.The Company fully collected the repayment in March 2016.

(xi) The Company granted a loan amounting to RMB31,210 (US$4,818) to Baituo to supplement its working capital needs in 2015. Baituo repaid RMB6,210 (US$959) in December 2015.

c) The Company had the following related party balances outstanding as of December 31 2014, and 2015:

	Note	As of December 31		
		2014	2015	
		RMB	RMB	US$
Current assets				
Due from related parties:				
Baidu Holdings		—	651,053	100,505
Baidu Times		3,670	—	—
Baidu Netcom		25,210	6,976	1,077
Nuo Mi		11,071	72,910	11,256
Baidu Online		—	50,839	7,848
Baidu Microcredit		—	116	18
Ctrip.com		—	2,258	349
Huazhu		—	1,409	218
Homeinns		—	2,562	395
Baituo		—	25,000	3,859
Total due from related parties		39,951	813,123	125,525
Current liabilities				
Due to related parties:				
Baidu Online		—	1,234,301	190,543
Baidu Netcom		—	—	—
Baidu, Inc.		4,714	—	—
Nuo Mi		377	4,048	625
Baidu Times		768	645,926	99,714
Bo Rui		50	6,921	1,068
Ctrip.com		—	298	46
eLong	(i)	—	69,919	10,794
Huazhu		—	87	13
Bo Dong		396	—	—
Total due to related parties		6,305	1,961,500	302,803

(i) Amount mainly represented the payment for advertising service received in advance from eLong.

Except for the loans with related parties disclosed above, balances with related parties are unsecured, interest-free and repayable upon demand.

14. Employee defined contribution plan

Full time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries and Affiliated PRC Entities of the Company make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were RMB87,588, RMB222,755 and RMB367,732 (US$56,768) for the years ended December 31, 2013, 2014 and 2015, respectively.

15. Accumulated other comprehensive (loss) income

The movement of accumulated other comprehensive (loss) income is as follows:

	Foreign currency translation adjustments
Balance as of December 31, 2012	**(11,603)**
Other comprehensive loss	(16,873)
Balance as of December 31, 2013	**(28,476)**
Other comprehensive income	32,639
Balance as of December 31, 2014	**4,163**
Other comprehensive income	132,647
Balance as of December 31, 2015	**136,810**
Balance as of December 31, 2015 in US$	**21,120**

16. Ordinary shares

In June 2015, the Company issued 6,842,106 ADSs, equivalent to 20,526,318 Class B ordinary shares, as a result of a secondary public offering. In addition, the Company issued 11,450,000 shares of Class B ordinary shares as a result of the exercise of the 2014 Baidu Warrants (Note 21).

On October 26, 2015, the Company's largest shareholder, Baidu, Inc., exchanged 178,702,519 Class A ordinary shares and 11,450,000 Class B ordinary shares of its ownership interest in the Company with Ctrip. The exchange ratio was 1 Qunar ADS to 0.725 Ctrip ADSs. Upon the completion of the transaction, Ctrip owns 190,152,519 Class B ordinary shares of Qunar and became the largest shareholder of the Company.

For the year ended December 31, 2015, 210,781,507 shares of Class A ordinary shares were exchanged into Class B ordinary shares. 42,070,053 shares of Class B ordinary shares were issued from share options exercised.

As of December 31, 2015, there were 13,517,672 and 419,204,400 Class A and Class B ordinary shares outstanding, respectively.

17. Loss per share

Basic and diluted loss per share for each of the years ended December 31, 2013, 2014 and 2015 presented are calculated as follows:

	Years ended December 31,							
	2013		2014		2015			
	Class A	Class B	Class A	Class B	Class A	Class A	Class B	Class B
	RMB	RMB	RMB	RMB	RMB	US$	RMB	US$
Basic loss per share:								
Numerator:								
Net loss	(183,368)	(3,921)	(1,401,672)	(445,229)	(3,492,180)	(539,100)	(3,857,151)	(595,441)
Net loss attributable to noncontrolling interests	—	—	—	—	3,147	486	3,475	536
Net loss attributable to ordinary shareholders for computing basic loss per share	(183,368)	(3,921)	(1,401,672)	(445,229)	(3,489,033)	(538,614)	(3,853,676)	(594,905)
Denominator:								
Weighted average ordinary shares outstanding	299,524,536	6,403,973	266,696,495	84,713,813	182,319,107	182,319,107	201,373,547	201,373,547
Basic loss per share:	(0.61)	(0.61)	(5.26)	(5.26)	(19.14)	(2.95)	(19.14)	(2.95)
Basic loss per ADS*:		(1.83)		(15.78)			(57.42)	(8.85)
Diluted loss per share:								
Numerator:								
Net loss	(183,368)	(3,921)	(1,401,672)	(445,229)	(3,492,180)	(539,100)	(3,857,151)	(595,441)
Net loss attributable to noncontrolling interests	—	—	—	—	3,147	486	3,475	536
Reallocation of net loss attributable to ordinary shareholders as a result of conversion of Class A to Class B ordinary shares (Note 16)	—	(183,368)	—	(1,401,672)	—	—	(3,489,033)	(538,614)
Net loss attributable to ordinary shareholders for computing diluted loss per share	(183,368)	(187,289)	(1,401,672)	(1,846,901)	(3,489,033)	(538,614)	(7,342,709)	(1,133,519)
Weighted average ordinary shares outstanding	299,524,536	6,403,973	266,696,495	84,713,813	182,319,107	182,319,107	201,373,547	201,373,547
Conversion of Class A to Class B ordinary shares (note 16)	—	299,524,536		266,696,495	—	—	182,319,107	182,319,107
Weighted-average number of shares outstanding-diluted	299,524,536	305,928,509	266,696,495	351,410,308	182,319,107	182,319,107	383,692,654	383,692,654
Diluted loss per share:	(0.61)	(0.61)	(5.26)	(5.26)	(19.14)	(2.95)	(19.14)	(2.95)
Diluted loss per ADS*:		(1.83)		(15.78)			(57.42)	(8.85)

*The Company was listed on November 1, 2013 with issuance of a total of 12,777,650 ADSs. Each ADS represents three Class B ordinary shares. The net loss per ADS for the year ended December 31, 2013 was calculated using the same conversion ratio assuming the ADSs had been in existence throughout this period.

The effects of all outstanding share options, long-term debt and Baidu Warrants were been excluded from the computation of diluted loss per share for the years ended December 31, 2013, 2014 and 2015 as their effects would be anti-dilutive.

18. Share-based compensation

2007 Share Incentive Plan

In November 2007, the Company's shareholders approved the 2007 Share Incentive Plan (the "2007 Share Incentive Plan"), which is administered by the Board of Directors or any of its committees. Under the Plan, the Board of Directors may grant options to its employees, directors and consultants to purchase an aggregate of no more than 9,600,140 ordinary shares of the Company. On December 29, 2011, the Board of Directors approved the increase of the number of shares available for issuance under the Plan from 20,724,362 to 26,060,000 shares. On August 10, 2012, the Board of Directors approved that starting from January 1, 2013, the number of shares available for issuance under the Plan would increase annually by 1.5% of the total outstanding ordinary and redeemable ordinary shares as of January 1 of that respective calendar year. On September 22, 2013, the Board of Directors approved an increase in the number of shares available for issuance under the 2007 Share Incentive Plan by 6,066,896 shares. The options granted have a contractual term of ten years and generally vest over a four-year period, with 25% of the awards vesting one year after the date of grant and 1/16 of the remaining grants vesting on a quarterly basis thereafter.

The fair value of each award was estimated on the grant date using the Black-Scholes-Merton option-pricing model by the Company.

Under the 2007 Share Incentive Plan, the Company granted 10,988,106, 9,993,411 and 10,443,825 share options to employees during the years ended December 31, 2013, 2014 and 2015, respectively. Among the grants, 1,671,867, 7,929,555 and 2,641,314 shares options granted during the years ended December 31, 2013, 2014 and 2015, respectively, had performance condition on their exercisability.

Included in the grants above:

1) On January 25, 2013, the Board of Directors waived the performance conditions in relation to the performance based options granted on March 6, 2012 and approved that 450,000 options, representing 90% of the options previously granted would commence vesting based on the original vesting schedule. In accordance with ASC 718, the Company accounted for the waiver of the performance conditions as a modification. As the original vesting conditions were not satisfied, the grant-date fair value of the original award was ignored and the fair value of the award measured at the modification date is recognized starting from the modification date. The share-based compensation expense recognized for the modified award for the year ended December 31, 2013 was RMB1,697 (US$262).

2) On September 22, 2013, the Board of Directors approved to issue two option grants to Chenchao Zhuang, the former CEO and director of the Company. The first option grant consisted of 3,033,448 options with an exercise price of US$3.9559. The second option grant consisted of 3,033,448 options with an exercise price of US$6.5932. Both option grants have a contractual term of ten years and will vest over a period from grant date to December 31, 2016, with 25% of the awards vesting on December 31, 2013 and the remaining awards vesting 1/16 on a quarterly basis thereafter. The fair value of the options granted was US$2.69 and US$2.19 for the first and second option grant, respectively.

Business Unit Incentive Plan

On January 13, 2013, the Board of Directors approved a business unit incentive plan (the "Business Unit Incentive Plan"), which is governed under the aforementioned 2007 Share Incentive Plan. Under the Business Unit Incentive Plan, the Board of Directors may grant options to its employees of specific business units to purchase an aggregate of no more than 10,800,000 Class B ordinary shares of the Company. On November 25, 2014, the Company's Board of Directors approved an extension of the Business Unit Incentive Plan to cover employees of four new business units. The total number of Class B ordinary shares of the Company to be issued under the Business Unit Incentive Plan was increased to 18,000,000. The options will be granted at an exercise price of US$0.01 if the business units meet their respective certain long-term performance conditions. Upon grant, the options will have various vesting terms. The Business Unit Incentive Plan was terminated in November 2015.

Modification to the 2007 Share Incentive Plan

In December 2015, Qunar modified the awards under the 2007 Share Incentive Plan to be convertible to Ctrip ADSs at a ratio of 1 Qunar ADS to 0.725 Ctrip ADS. Unvested awards under the 2007 Share Incentive Plan became fully vested for certain employees and all cliff vesting conditions and performance-based vesting conditions were removed from all outstanding awards under the 2007 Share Incentive Plan. Furthermore, all business unit points granted under the Business Unit Incentive Plan converted into options based on the ratio of 3 points to 1 Qunar ADS.

The Company accounted for the modifications in accordance with ASC 718-20-35-3 with the amount of compensation cost to be recognized for a modified award being the grant-date fair value of the original award plus the incremental value resulting from the modification to the award.

The total incremental compensation cost resulting from the modifications was RMB1,575,369 (US$243,195) for the year ended December 31, 2015. Incremental value resulting from modifications to vested awards as well as any unrecognized grant-date fair value of the original awards plus the incremental value resulting from the accelerations of awards that became fully vested was recognized in earnings immediately. The incremental compensation cost from modifications on those options with vesting conditions is recognized on a straight-line basis over the vesting schedule of the modified options in addition to any unrecognized grant-date fair value of the original awards.

2015 Share Incentive Plan

On November 18, 2015, Board of Directors approved a new share incentive plan (the "2015 Share Incentive Plan"). Share options granted under the 2015 Share Incentive Plan, when vested and exercised, will be convertible to Ctrip ADSs at a ratio of 1 Qunar ADS to 0.725 Ctrip ADS. Certain options granted under the 2015 Share Incentive Plan vest immediately upon grant, while others vest on a quarterly basis on the same vesting schedule as those outstanding awards under the 2007 Share Incentive Plan. Under the 2015 Share Incentive Plan, the Board of Directors may grant options to its employees, directors and consultants to purchase an aggregate of no more than 28,476,795 ordinary shares of the Company. These options granted have a contractual term of ten years.

The fair value of each award was estimated on the grant date using the Black-Scholes-Merton option-pricing model by the Company.

Under the 2015 Share Incentive Plan, the Company granted 27,470,970 share options to employees during the year ended December 31, 2015. Among the grants, 10,632,195 shares options granted have service condition on their exercisability.

The following table summarizes the option activities for the year ended December 31, 2015

	Number of shares	Weighted average exercise price (US$)	Weighted average remaining contractual life (Years)	Aggregate intrinsic value (US$ in thousands)
Share options				
Outstanding, December 31, 2014	25,163,443	1.30	7.89	201,417
Granted	37,914,795	0.01		
Exercised	(42,070,053)	0.78		
Forfeited/Cancelled	(2,248,747)	0.01		
Outstanding, December 31, 2015	18,759,438	0.01	9.36	329,603
Vested and expected to vest at December 31, 2015	15,383,914	0.01	9.37	270,295
Exercisable at December 31, 2015	2,482,338	0.01	9.35	43,615

The aggregate intrinsic value in the table above represents the difference between the fair value of Company's ordinary share as at the balance sheet date and the exercise price. Total intrinsic value of options exercised for the three years ended December 31, 2013, 2014 and 2015 was RMB88,920, RMB508,520 and RMB 4,578,311 (US$706,770) respectively. The total fair value of the options vested during the years ended December 31, 2013, 2014 and 2015 were RMB88,870, RMB220,800 and RMB7,784,881 (US$1,201,778), respectively.

The following table presents the assumptions used to estimate the fair values of the share options granted in the years presented:

	2013	2014	2015
Risk-free interest rate	1.91%~2.71%	1.91%~2.07%	0.71%~1.85%
Dividend yield	—	—	—
Expected volatility range	46.68%~47.66%	45.78%~46.58%	36.33%~42%
Expected life (in years)	10	6.11	0.98~6.11

As of December 31, 2015, there were RMB2,238,826 (US$345,615) of unrecognized share-based compensation costs, net of estimated forfeitures, related to option awards that are expected to be recognized over a weighted-average vesting period of 1.91years. Total unrecognized compensation costs may be adjusted for future changes in estimated forfeitures.

The fair value of each option award was estimated on the grant date using the Black-Scholes-Merton option-pricing model. The risk-free interest rate for periods within the contractual life of the share option is based on the U.S. Treasury yield curve in effect at the time of grant for a term consistent with the expected term of the awards. The expected term of stock options granted is developed giving consideration to the vesting period and contractual term. Qunar did not expect to declare any dividends on its ordinary shares on the respective grant dates. Expected volatility is estimated based on the historical volatility ordinary shares of several comparable companies in the same industry.

The total weighted average grant-date fair value of the option awards granted during the years ended December 31, 2013, 2014 and 2015 were RMB16.59, RMB58.59 and RMB 190.45 (US$29.40) per option, respectively.

The following table summarizes total compensation cost recognized:

	Years ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US$
Product developments	20,784	59,884	1,299,625	200,628
Product sourcing	2,117	2,958	151,864	23,444
Sales and marketing	5,417	12,565	310,604	47,949
General and administrative	35,389	190,963	3,020,480	466,281
	63,707	266,370	4,782,573	738,302

19. Restricted net assets

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries and Affiliated PRC Entities. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries and Affiliated PRC Entities.

In accordance with the PRC Regulations on Enterprises with Foreign Investment and its articles of association, a foreign invested enterprise established in the PRC is required to provide certain statutory reserves, namely general reserve fund the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A foreign invested enterprise is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. Appropriation to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors for all foreign invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as foreign invested enterprises and therefore, is subject to the above mandated restrictions on distributable profits.

Additionally, in accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Affiliated PRC Entities were established as domestic invested enterprises and therefore are subject to the above mentioned restrictions on distributable profits.

During the years ended December 31, 2013, 2014 and 2015, appropriations to statutory reserves amounted to RMB1,136, nil and RMB3,011(US$465), respectively.

As a result of these PRC laws and regulations subject to the limit discussed above that require annual appropriations of 10% of after-tax income to be set aside, prior to payment of dividends as general reserve fund, the Company's PRC subsidiaries and the Affiliated PRC Entities are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulation in the PRC may further restrict the Company's PRC subsidiaries and the Affiliated PRC Entities from transferring funds to the Company in the form of dividends, loans and advances. As of December 31, 2014 and 2015, amounts restricted are the net assets of the Company's PRC subsidiaries and the Affiliated PRC Entities, which amounted to RMB171,009 and RMB226,235 (US$34,925), respectively.

20. Other non-current assets

On August 1, 2013, the Company launched an RMB20,000 employee interest-free housing loan program. In 2014, the Company expanded the housing loan pool to RMB40,000. Employees other than executive officers and senior management personnel who meet certain requirements may apply for such loans subject to approval by the Company. Each loan to each employee has a cap of RMB500 and is repayable within three to five years. The Company accounts for employee interest-free loans in accordance with ASC subtopic 835-30, *Imputation of Interest*, whereby the effective interest rate is applied and the difference between the present value of the loan receivables and the cash loaned to the employees is regarded as employee compensation. Over the term of the loans, the loans receivable are accreted to its face value with interest income recognized in the same amount. As of December 31, 2014 and 2015, the Company has granted loans amounting to RMB26,911 and RMB44,207 (US$6,824) with terms of five years, respectively, of which RMB15,288 and RMB22,520 (US$3,476) were non-current, respectively.

Management evaluated the collectability of the loans granted and concluded that the risk of default was remote. Therefore, no allowance was provided as of December 31, 2014 and 2015, respectively. The remaining balances included in other non-current assets are mainly comprised of long-term rental deposits of RMB29,034 and RMB57,325 (US$8,849) as of December 31, 2014 and 2015, respectively, and prepayments to purchase equipment with an amount of RMB11,595 and RMB8,963 (US$1,384) as of December 31, 2014 and 2015, respectively.

21. FAIR VALUE MEASUREMENT

Financial assets and liabilities of the Company primarily comprise of cash and cash equivalents, short-term investments, restricted cash, funds receivable, accounts receivable, due from and due to related parties, employee housing loan receivables, customer advances and deposits, accounts payable, short-term loan, other payables, the Notes and warrant liability. As of December 31, 2014 and 2015, the carrying values of these financial instruments, except for employee housing loan receivables, the Notes and warrant liability, approximated their fair values due to the short-term nature of these instruments.

The fair value of the employee housing loan receivables has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The calculated fair value approximates the carrying amount of the outstanding employee housing loan receivables. The warrant liability was recorded at fair value on the issuance date and subsequently adjusted to the fair value at each reporting date. The liability component of the Notes was initially recorded at fair value net of issuance costs, with subsequent accretion to face value.

ASC topic 820 ("ASC 820"), Fair Value Measurements and Disclosures, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets
Level 2 - Include other inputs that are directly or indirectly observable in the marketplace
Level 3 - Unobservable inputs which are supported by little or no market activity

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

In accordance with ASC 820, the Company measured the Baidu Warrants at fair value on a recurring basis. Baidu Warrants were classified as Level 2 by using the binomial-tree model with exogenous credit risk developed by Tsiveriotis and Fernandes (1998) based on inputs that are directly and indirectly observable in the market.

Assets and liabilities measured at fair value as of December 31, 2014 are summarized as below:

	Fair Value Measurement or Disclosure at December 31, 2014 Using		
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable inputs (Level 3)
	RMB	RMB	RMB
Recurring			
Warrant liability	—	701,776	—
Total liability measured at fair value	**—**	**701,776**	**—**

No asset or liability was measured at fair value as of December 31, 2015 as the Baidu Warrants were exercised (Note 13).

The Company had no assets or liabilities measured or disclosed at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2014 and 2015.

22. Commitments and contingencies

Operating lease commitments

The Company leases office facilities and server racks under non-cancelable operating leases expiring on different dates. Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases, and the terms of the leases do not contain rent escalation, contingent rent, renewal, or purchase options. There are no restrictions placed upon the Company by entering into these leases. Total expenses under these operating leases were RMB51,262, RMB163,067 and RMB248,087 (US$38,298) for the years ended December 31, 2013, 2014 and 2015, respectively.

Future minimum payments under non-cancelable operating leases consist of the following as of December 31, 2015:

Years ended December 31,	RMB	US$
2016	224,957	34,727
2017	58,821	9,080
2018 and thereafter	6,294	972
	290,072	44,779

Capital Commitments

The Company's capital commitments relate primarily to commitments in connection with the expansion and improvement of its network infrastructure and renovation of its offices. Total capital commitments contracted but not yet reflected in the consolidated financial statements amounted to RMB29,786 and RMB11,331 (US$1,749) as of December 31, 2014 and 2015. All of the commitments relating to the network infrastructure and renovation on the offices are to be fulfilled within the next year.

In addition, as of December 31, 2015, the Company has contractual commitments to make additional investments contingent on the achievement of certain conditions by three existing investees with a total maximum amount of RMB20,045 (US$3,094).

Loss contingencies

With respect to display advertising services, the Company, as an industry practice in the PRC, regularly provides such services at a discount to its standard rates. These discounts are in the form of free advertising elements, of which the duration and other terms of services are specified as part of the revenue contract. The value-added tax pilot program replaced the business tax rules for advertising services in Beijing effective from September 1, 2012. There are uncertainties under the current value-added tax rules as to whether these free elements should constitute deemed services in addition to the chargeable elements rather than discounts to the overall revenue arrangements for tax purposes and thus be subject to value-added tax at the standard rates of services. The Company currently considers that such free elements do not give rise to deemed services for value-added tax purposes and the value-add tax for a revenue contract is calculated based on the total consideration for the overall arrangements. The rules related to the value-added tax pilot program are still evolving and the timing of the promulgation of the final tax rules or related interpretation is uncertain. The maximum estimated amount for this reasonably possible contingency up to December 31, 2015 was RMB7,197 (US$1,111).

Legal contingency

On September 6, 2013, the Company early terminated an agreement ("Distribution Agreement") with one of its travel service providers, eLong due to it's failure to make its international hotel inventories available on the Company's platform within the agreed time period. Subsequently, eLong filed a complaint with an intermediary court in Beijing for a civil suit against the Company alleging breach of contract by the Company and sought (i) a declaration that the notice to terminate the aforementioned agreement was null and void and (ii) damages in the amount of approximately RMB140,700 to compensate for alleged losses suffered by the TSP in connection with the Company's early termination of the aforementioned agreement.

On July 1, 2015, the Company received the final judgment (the "Final Judgment") from the Beijing High People's Court (the "Court") with respect to the contract dispute with eLong over the Distribution Agreement. In the Final Judgment, the Court upheld that the Company shall prospectively credit to eLong's advertisement account opened at the Company in the amount of RMB137,385(US$21,209) corresponding to the period up to June 30, 2016 and the Distribution Agreement shall continue to be performed by both parties. The credits are not redeemable for cash but to be utilized by eLong for prospective advertising services provided by the Company.

23. Subsequent events

On January 8, 2016, SL and HH irrevocably waived and relinquished their rights to convert the Notes held by them and transferred all of the Notes to Ctrip (the "Exchange"). The Exchange was accounted for as an extinguishment of debt.

In March 2016, the Company obtained a RMB denominated loan with a principal amount of RMB1,773,800 (US$273,828) from Ctrip. The loan is free of interest and has a term of three years. Ctrip obtained a US$ denominated loan with a principal amount of US$285,000 from the Company. The loan is free of interest and has a term of three years.

Exhibit 2.5

EXECUTION VERSION

NOTE PURCHASE AGREEMENT

BY AND AMONG
QUNAR CAYMAN ISLANDS LIMITED,
SL CAMEL HOLDCO LIMITED,
GAOLING FUND, L.P.
AND
YHG INVESTMENT, L.P.

Dated as of June 1, 2015

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Exhibits

Exhibit A	Form of Indenture
Exhibit B	Form of Registration Rights Agreement
Exhibit C-1	Form of Legal Opinion of Shearman & Sterling LLP
Exhibit C-2	Form of Legal Opinion of Maples and Calder
Exhibit C-2	Form of Legal Opinion of TransAsia Lawyers
Exhibit D	Form of VCOC Letter
Schedule 1	Allocation of Notes to Purchasers

This NOTE PURCHASE AGREEMENT (this "**Agreement**") is dated as of June 1, 2015, by and among Qunar Cayman Islands Limited, an exempted company with limited liability organized under the laws of the Cayman Islands (the "**Company**"), SL Camel Holdco Limited, an exempted company with limited liability organized under the laws of the Cayman Islands (together with its successors and permitted assigns, "**Silver Lake**"), Gaoling Fund, L.P., an exempted limited partnership organized under the laws of the Cayman Islands (together with its successors and permitted assigns, "**Gaoling**"), and YHG Investment, L.P., an exempted limited partnership organized under the laws of the Cayman Islands (together with its successors and permitted assigns, "**YHG**" and, together with Gaoling, "**Hillhouse**", and together with Silver Lake, the "**Purchasers**" and each of them a "**Purchaser**").

WHEREAS, the Company has authorized the issuance of US$500,000,000 aggregate principal amount of its 2.0% Convertible Senior Notes due 2021 (the "**Notes**") to be issued in accordance with the terms and conditions of the indenture in the form attached as Exhibit A hereto (with such non-material changes as may be reasonably required by the Trustee, and to qualify under the Trust Indenture Act of 1939, as amended, and such other changes as are mutually agreed by the Company and the Purchasers (the "**Indenture**"), which Notes shall be convertible into American depositary shares ("**ADSs**") of the Company, each representing three Class B ordinary shares, par value US$0.001, of the Company ("**Ordinary Shares**"); and

WHEREAS, the Company desires to issue and sell to the Purchasers pursuant to this Agreement, and the Purchasers desire to purchase from the Company the principal amount of the Notes set forth beside their names in Schedule 1 hereto.

NOW THEREFORE, in consideration of the mutual agreements, representations, warranties and covenants herein contained, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"**Action**" shall mean any claim, suit, action, arbitration, cause of action, complaint, criminal prosecution, investigations or proceeding, whether at law or at equity and whether public or private, before or by any Governmental Authority, any arbitrator or other tribunal.

"**ADRs**" has the meaning set forth in Section 3.5(b) hereof.

"**ADSs**" shall have the meaning set forth in the recitals hereof.

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, *provided*, that each Affiliated Entity and each Affiliate of an Affiliated Entity of each respective Purchaser shall be deemed to be an Affiliate of such Purchaser.

"**Affiliated Entity**" shall mean any investment fund or holding company (including any special purpose vehicle) formed for investments purposes that is primarily managed, advised or serviced by each respective Purchaser or by an Affiliate of such Purchaser or whose general partner, managing member or other controlling Person is such Purchaser or an Affiliate of such Purchaser. All Notes held or acquired by Affiliated Entities and all Ordinary Shares or ADSs that were issued upon prior conversions of Notes by Affiliated Entities shall be aggregated together for the purpose of determining the availability of any rights under this Agreement,

"**Agreement**" has the meaning set forth in the first paragraph hereof.

"**Benefit Plans**" shall mean employee benefit plans as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended or modified from time to time, and all other employee benefit practices or arrangements, including, without limitation, any such practices or arrangements providing severance pay, sick leave, vacation pay, salary continuation for disability, retirement benefits, deferred compensation, bonus pay, incentive pay, stock options or other stock-based compensation, hospitalization insurance, medical insurance, life insurance, scholarships or tuition reimbursements, maintained by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is obligated to contribute for employees or former employees.

"**Closing**" has the meaning set forth in Section 2.2 hereof.

"**Closing Date**" has the meaning set forth in Section 2.2 hereof.

"**Code**" has the meaning set forth in Section 3.20(b) hereof.

"**Company**" has the meaning set forth in the first paragraph hereof.

"**Confidential Information**" has the meaning set forth in Section 9.9(a) hereof.

"**control**" (including the terms "**controlling**" "**controlled by**" and "**under common control with**") with respect to any Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Deposit Agreement**" shall mean the deposit agreement dated October 31, 2013, by and among the Company the Depositary and all holders and beneficial owners from time to time of ADSs issued thereunder, or if amended or supplemented as provided therein, as so amended or supplemented.

"**Depositary**" shall mean Deutsche Bank Trust Company Americas.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended or modified from time to time, and all of the rules and regulations promulgated thereunder.

"**FCPA**" has the meaning set forth in Section 3.8(c) hereof.

"**Financial Statements**" has the meaning set forth in Section 3.9(b) hereof.

"**Fundamental Representation**" has the meaning set forth in Section 6.1(a) hereof.

"**GAAP**" has the meaning set forth in Section 3.9(b) hereof.

"**Governmental Authority**" shall mean any legislature, agency, bureau, branch, department, division, commission, instrumentality, court, tribunal, magistrate, justice, multi-national organization, quasi-governmental body, or other similar recognized organization or body of any federal, state, county, municipal, local, provincial or foreign government or any court, arbitrator, arbitration panel or similar judicial body.

"**Hillhouse**" has the meaning set forth in the first paragraph hereof.

"**HSR Act**" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended or modified from time to time.

"**Indemnification Notice**" has the meaning set forth in Section 8.2 hereof.

"**Indemnified Person**" has the meaning set forth in Section 8.1 hereof.

"**Indenture**" has the meaning set forth in the recitals hereof.

"**Initial Conversion Rate**" has the meaning set forth in Section 2.1 hereof.

"**Intellectual Property**" has the meaning set forth in Section 3.16 hereof.

"**Investment Value**" has the meaning set forth in Section 5.13 hereof.

"**Losses**" has the meaning set forth in Section 8.1 hereof.

"**Material Adverse Effect**" shall mean such facts, circumstances, events or changes that are, individually or in the aggregate, materially adverse to (i) the business, financial condition, assets or continuing operations of the Company and its Subsidiaries taken as a whole or (ii) the Company's ability to perform its obligations under this Agreement, but shall not include facts, circumstances, events or changes (a) generally affecting any of the industries in which the Company, taken together with its Subsidiaries, operates, in the United States or elsewhere in the world or the economy or the financial or securities markets in the United States or elsewhere in the world, in each case, except to the extent such facts, circumstances, events or changes disproportionately affect the Company and its Subsidiaries; (b) political conditions, including acts of war (whether or not declared), armed hostilities and terrorism, or developments or changes therein or escalations thereof; (c) any conditions resulting from natural disasters; (d) any action taken or omitted to be taken by or at the written request or written consent of the Purchasers; (e) any announcement of this Agreement or the transactions contemplated hereby, in each case, to the extent due to such announcement; (f) resulting from changes in applicable legal requirements, GAAP or accounting standards; (g) resulting from a change in the price of or the trading volume in the Ordinary Shares or ADSs in and of itself (but the underlying reasons for such change shall not be excluded pursuant to this clause); or (h) resulting from a failure to meet securities analysts' published revenue or earnings predictions for the Company in and of itself (but the underlying reasons for such failure shall not be excluded pursuant to this clause).

"**Money Laundering Laws**" has the meaning set forth in Section 3.8(d) hereof.

"**Notes**" has the meaning set forth in the recitals hereof.

"**Observer**" has the meaning set forth in Section 5.11 hereof.

"**OFAC**" has the meaning set forth in Section 3.8(b) hereof.

"**Ordinary Shares**" has the meaning set forth in the recitals hereof.

"**Permits**" has the meaning set forth in Section 3.8(a) hereof.

"**Person**" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or any other entity or organization.

"**PFIC**" has the meaning set forth in section 3.20(b) hereof.

"**Purchasers**" and "**Purchaser**" has the meaning set forth in the first paragraph hereof.

"**Purchaser Adverse Effect**" has the meaning set forth in Section 4.3 hereof.

"**PRC**" means the People's Republic of China, but solely for purposes of this Agreement excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

"**Registration Rights Agreement**" has the meaning set forth in Section 6.1(d) hereof.

"**Relevant Person**" has the meaning set forth in Section 3.8(b) hereof.

"**Representatives**" has the meaning set forth in Section 9.9(a) hereof.

"**Rule 144**" shall mean Rule 144 (or any successor provision) under the Securities Act, as such provision may be amended from time to time.

"**SAFE Rules and Regulations**" has the meaning set forth in Section 3.15 hereof.

"**Sanctions**" has the meaning set forth in Section 3.8(b) hereof.

"**SEC**" shall mean the Securities and Exchange Commission.

"**SEC Reports**" shall mean the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2014, and any current reports on Form 6-K filed or furnished by the Company after December 31, 2014 and prior to the date hereof.

"**Securities**" shall mean the Notes and the ADSs issuable upon conversion of the Notes.

"**Securities Act**" shall mean the Securities Act of 1933, as amended or modified from time to time, and all of the rules and regulations promulgated thereunder.

"**Silver Lake**" has the meaning set forth in the first paragraph hereof.

"**Subsidiary**" when used with respect to any party shall mean any corporation or other organization, whether incorporated or unincorporated (x) of which such party or a Subsidiary of such party is a general partner or managing member (y) of which at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries, and shall include the VIE Entities.

"**Transaction Agreements**" shall mean this Agreement, the Registration Rights Agreement, the VCOC Letter, the Indenture and the Notes.

"**Trustee**" shall mean a financial institution that provides corporate trust services as proposed by the Company and consented to by the Purchasers, which consent shall not be unreasonably withheld.

"**VCOC Letter**" has the meaning set forth in Section 5.10 hereof intended to ensure that Silver Lake maintains the status of "venture capital operation company" as defined in the Department of Labor Regulations, Section 251010.3-101(d).

"**VIE Entities**" shall mean Qunar.com Beijing Information Technology Company Limited and its Subsidiaries.

"**Voting Stock**" shall mean securities of any class or kind ordinarily having the power to vote generally for the election of directors, managers or other voting members of the governing body of the Company or any successor thereto.

"**WKSI**" shall mean a "well known seasoned issuer" as defined under Rule 405 pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as Rule 405.

2. Authorization, Purchase and Sale of Notes.

2.1. Authorization, Purchase and Sale. The Company has authorized (a) the initial sale and issuance to the Purchasers of the Notes, (b) the issuance of the ADSs to be issued upon the conversion of the Notes and (c) the issuance of the Ordinary Shares represented by the ADSs and the deposit of such Ordinary Shares with the Depositary. Subject to and upon the terms and conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to the Purchasers, and the Purchasers shall purchase from the Company the principal amount of the Notes set forth beside each Purchaser's name in Schedule 1 hereto at a purchase price equal to the principal amount of Notes purchased. The Conversion Price (as defined in the Indenture) on the Closing Date will equal US$55.00 and the Conversion Rate (as defined in the Indenture) shall be 18.1818 (the "**Initial Conversion Rate**"); *provided*, that if any event shall occur between the date hereof and the Closing Date (inclusive) that would have resulted in an adjustment to the Conversion Rate (as defined in the Indenture) pursuant to Article 10 of the Indenture if the Notes had been issued and outstanding since the date hereof, the Initial Conversion Rate and the share amounts in the tables of Make-Whole Applicable Increases set forth in Section 10.14(a) of the Indenture shall be adjusted in the same matter as would have been required by Article 10 of the Indenture if the Notes had been issued and outstanding since the date hereof and the Conversion Price and Initial Conversion Rate included in the Indenture will reflect such adjustment.

2.2. Closing. Subject to the satisfaction or waiver of the conditions set forth in Section 6 hereof, the closing of the purchase and sale of the Notes (the "**Closing**") shall take place at the offices of Simpson Thacher & Bartlett LLP, 3919 China World Tower, 1 Jian Guo Men Wai Avenue, Beijing, China on June 17, 2015 or on such other date as is mutually agreed upon in writing by the Company and the Purchasers (the "**Closing Date**"). At the Closing, the aggregate principal amount of the Notes shall be reflected in one or more Notes in definitive certificated form in the name of each respective Purchaser or the name of any purchaser to which the rights and obligations under this Agreement are assigned prior to the Closing Date consistent with the terms of this Agreement and in aggregate principal amount held by each such Purchaser, or held by such Purchaser and any purchaser to which the rights and obligations under this Agreement are assigned consistent with the terms of this Agreement, in each case against payment to the Company of the purchase price therefor by wire transfer to the Company of immediately available funds to an account to be designated by the Company.

3. Representations and Warranties of the Company. Except as set forth in the SEC Reports, excluding any disclosures set forth in risk factors or any "forward looking statements" within the meaning of the Securities Act or the Exchange Act, the Company hereby represents and warrants to the Purchasers as follows:

3.1. Organization and Power. The Company is a company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted and is qualified to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification, except where such failure of the Company to be in good standing or to have such power and authority or to so qualify would not reasonably be expected to have a Material Adverse Effect.

3.2. Capitalization.

(a) As of June 1, 2015, (i) the total number of outstanding Class A ordinary shares, par value US$0.001, of the Company was 224,299,179, (ii) the total number of outstanding Ordinary Shares was 136,164,846, (iii) the total number of Ordinary Shares issuable upon exercise of outstanding options to acquire Ordinary Shares was 24,783,792, (iv) the total number of Ordinary Shares issuable upon exercise of warrants to acquire Ordinary Shares was 11,450,000, and (v) no other shares of stock or options or rights to acquire stock were outstanding. All such issued and outstanding Ordinary Shares have been duly authorized and validly issued and are fully paid and non-assessable. From December 31, 2014 through the date of this Agreement, no dividends have been paid with respect to the Ordinary Shares and no dividends have been declared with respect to the Ordinary Shares.

(b) As of the date of this Agreement, except as set forth in Section 3.2(a) hereof, and except for pursuant to the Company's Benefit Plans and as disclosed in the SEC Reports, there are no existing options, warrants, calls, preemptive (or similar) rights, subscriptions or other rights, agreements or commitments obligating the Company to issue, transfer or sell, or cause to be issued, transferred or sold, any capital stock of the Company or any securities convertible into or exchangeable for such capital stock, and there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any of its shares of capital stock.

3.3. Registration Rights. Except as set forth in the Transaction Agreements, the Company has not granted to any Person the right to require the Company to register Ordinary Shares on or after the date of this Agreement.

3.4. Authorization. The Company has all requisite corporate power to enter into the Transaction Agreements and to carry out and perform its obligations under the terms of the Transaction Agreements. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization of the Securities, the authorization, execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated herein and therein has been taken. The execution, delivery and performance of the Transaction Agreements by the Company, the issuance of the ADSs upon conversion of the Notes and the Ordinary Shares underlying such ADSs in accordance with their terms, the deposit of the Ordinary Shares in respect thereof and the consummation of the other transactions contemplated herein and therein do not require any approval of the Company's stockholders (other than such approval as has already been obtained). Assuming this Agreement constitutes the legal and binding agreement of the Purchasers, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon their respective execution by the Company and the other parties thereto and assuming that they constitute legal and binding agreements of the other parties thereto, each of the Registration Rights Agreement, the VCOC Letter, the Indenture and the Notes will constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Board of Directors of the Company has approved this Agreement, the issuance of the Notes, and the ADSs issuable upon conversion of the Notes, the Ordinary Shares underlying such ADSs, the deposit of the Ordinary Shares in respect thereof and the other transactions contemplated hereby and thereby.

3.5. Valid Issuance. (a) The Notes being purchased by the Purchasers hereunder will, upon issuance pursuant to the terms hereof and the terms of the Indenture and upon payment therefor, be valid and legally binding obligations of the Company, enforceable in accordance with their terms and the terms of the Indenture, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). At or prior to the Closing and at all times thereafter, the Company will have authorized and have available for issuance at least the number of Ordinary Shares to be deposited with the Depositary in respect of the ADSs into which the Notes may be converted. The Ordinary Shares and ADSs issuable upon conversion of the Notes have been duly authorized for issuance and, when issued upon conversion of the Notes will be duly and validly issued, fully paid and non-assessable, assuming due issuance of the ADSs by the Depositary, and will not be subject to any pre-emptive or similar rights and will rank *pari passu* in all respects with all other existing Ordinary Shares and ADSs. For the purposes of this representation, the term "non-assessable" in relation to the Ordinary Shares and ADSs means that holders of such Ordinary Shares and ADSs, having fully paid up all amounts due on such Ordinary Shares and ADSs, are under no further personal liability to contribute to the assets or liabilities of the Company in their capacities purely as holders of such Ordinary Shares or ADSs. Subject to the accuracy of the representations made by the Purchasers in Section 4 hereof, the Notes will be issued to the Purchasers in compliance with applicable exemptions from (i) the registration and prospectus delivery requirements of the Securities Act and (ii) the registration and qualification requirements of applicable securities laws of the states of the United States. As of the date hereof, the Company is a WKSI and is eligible to file as of the date hereof a registration statement on Form F-3 under the Securities Act.

(b) The Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Depositary, constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Upon due execution and delivery by the Depositary of American depositary receipts ("**ADRs**") evidencing the ADSs to be issued upon conversion of the Notes and the deposit of the Ordinary Shares in respect thereof in accordance with the provisions of the Deposit Agreement, such ADRs will be duly and validly issued and the holders of such ADRs will be entitled to the rights specified therein and in the Deposit Agreement.

3.6. No Conflict. The execution, delivery and performance of the Transaction Agreements by the Company, the issuance of the Ordinary Shares and ADSs upon conversion of the Notes in accordance with their terms and the consummation of the other transactions contemplated hereby and thereby will not (i) violate any provision of the Memorandum and Articles of Association of the Company or (ii) conflict with or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation, a change of control right or to a loss of a benefit under any agreement or instrument, credit facility, franchise, license, judgment, order, statute, law, ordinance, rule or regulations, applicable to the Company or its Subsidiaries or their respective properties or assets, except, in the case of clause (ii), as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

3.7. Consents. All consents, approvals, orders and authorizations required on the part of the Company or its Subsidiaries in connection with the execution, delivery or performance of this Agreement and the Notes and the issuance of the Ordinary Shares and ADSs upon conversion of the Notes in accordance with their terms have been obtained or made, other than (i) the expiration or termination of any applicable waiting periods under the HSR Act or any foreign antitrust requirements in connection with the issuance of Ordinary Shares and ADSs upon conversion of the Notes and (ii) such consents, approvals, orders and authorizations the failure of which to make or obtain would not reasonably be expected to have a Material Adverse Effect.

3.8. Permits; Compliance with Applicable Laws.

(a) The Company and each of its Subsidiaries have conducted their businesses in compliance with all applicable laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended, and PRC anti-bribery Law), except where the failure to be in compliance would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "**Permits**") of, and have made all filings, applications and registrations with, any Governmental Authority that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, and all such filings, applications and registrations are current, except where such absence, suspension or cancellation, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) None of the Company, any of its Subsidiaries, any of their respective directors or officers or, to the knowledge of the Company, any agent, employee, affiliate or representative of the Company or any of its Subsidiaries is an individual or entity ("**Relevant Person**") currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any Subsidiaries, joint venture partners or other Relevant Person, to fund any activities of or business with any Relevant Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Relevant Person (including any Relevant Person participating in the transactions contemplated hereby, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(c) None of the Company, any of its Subsidiaries, any of their respective directors or officers or, to the knowledge of the Company, any agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "**foreign official**" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA. Each of the Company and its Subsidiaries has conducted their businesses in compliance with applicable anti-corruption laws and will maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

(d) The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**"); and no action, suit or proceeding by or before any Governmental Authority involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

3.9. SEC Reports; Financial Statements.

(a) The Company has filed all required registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by it with the SEC since October 31, 2013 through the date hereof. The information contained or incorporated by reference in the SEC Reports was true and correct in all material respects as of the respective dates of the filing thereof with the SEC (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing); and, as of such respective dates, the SEC Reports did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. All of the SEC Reports, as of their respective dates, complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder.

(b) The financial statements of the Company included in the SEC Reports (collectively, the "**Financial Statements**") fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the dates indicated, and the results of its operations and cash flows for the periods therein specified, all in accordance with United States generally accepted accounting principles applied on a consistent basis ("**GAAP**") throughout the periods therein specified (except as otherwise noted therein, and in the case of quarterly financial statements except for the absence of footnote disclosure and subject, in the case of interim periods, to normal year-end adjustments).

(c) Except as disclosed in the SEC Reports, the Company and its Subsidiaries have not incurred any liabilities that are of a nature that would be required to be disclosed on a balance sheet of the Company and its Subsidiaries or the footnotes thereto prepared in conformity with GAAP, other than (i) liabilities incurred in the ordinary course of business since January 1, 2015, and (ii) liabilities that would not reasonably be expected to have a Material Adverse Effect.

3.10. Internal Controls and Procedures. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the 1934 Act. Such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations and (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with US GAAP. The Company's management has completed an assessment of the effectiveness of the Company's system of internal controls over financial reporting for the fiscal year ended December 31, 2014 in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, and such assessment concluded that such controls were effective and the Company's independent registered accountant has issued (and not subsequently withdrawn or qualified) or will issue, as applicable, an attestation report concluding that the Company maintained effective internal control in all material respects over financial reporting as of December 31, 2014. As of the date hereof, the chief executive officer and chief financial officer of the Company do not currently expect that they will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, without qualification, when next due.

3.11. Absence of Certain Changes. Since January 1, 2015, there have not been any changes, circumstances, conditions or events which, individually or in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect.

3.12. Absence of Litigation. As of the date hereof, there is no action, suit, proceeding, investigation or inquiry pending or, to the Company's knowledge, threatened by or before any Governmental Authority against the Company or any Subsidiary which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, nor are there any orders, writs, injunctions, judgments or decrees outstanding of any court or Governmental Authority binding upon the Company or any Subsidiary that would reasonably be expected to have a Material Adverse Effect.

3.13. NASDAQ Global Select Market. The Ordinary Shares are registered pursuant to Section 12(b) of the Exchange Act and the ADSs are listed on the NASDAQ Stock Market, and the Company has no action pending to terminate the registration of the Ordinary Shares under the Exchange Act or delist the ADSs from NASDAQ Stock Market, nor has the Company received any notification that the SEC or the NASDAQ Stock Market is currently contemplating terminating such registration or listing. The Company is not in violation of any listing requirements of the NASDAQ Stock Market and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NASDAQ Stock Market in the foreseeable future.

3.14. Variable Interest Entities. The Company controls its VIE Entities through a series of contractual arrangements, and except for this Agreement and the documents entered into as required by this Agreement, there is no enforceable agreement or understanding to rescind, amend or change the nature of such captive structure or material terms of such contractual arrangements.

3.15. SAFE Compliance. The Company has taken all reasonable steps to comply with, and to cause all of the Company's shareholders who, to the knowledge of the Company after due inquiry, are PRC residents or PRC citizens, to comply with any applicable rules and regulations of the State Administration of Foreign Exchange (the "**SAFE Rules and Regulations**"), including, without limitation, taking reasonable steps to require each shareholder that is, or is directly or indirectly owned or controlled by, a PRC resident or PRC citizen to complete any registration and other procedures required under applicable SAFE Rules and Regulations.

3.16. Intellectual Property. The Company and its Subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patents rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") necessary to carry on the business now operated by them, and neither the Company nor any of its Subsidiaries has infringed or is infringing the intellectual property of a third party or has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate would result in a Material Adverse Effect.

3.17. Title to Property. The Company and its Subsidiaries have good and marketable title to all real property owned by the Company and its Subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except where failure to have good and marketable title to such real property or good title to all other properties owned by them would not, individually or in the aggregate, result in a Material Adverse Effect; all of the leases and subleases material to the business of the Company and its Subsidiaries, taken as a whole, are valid, subsisting, enforceable and in full force and effect, and neither the Company nor any Subsidiary has any notice of any material claim that has been asserted by anyone adverse to the rights of the Company or any Subsidiary under any of the material leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such material lease or sublease.

3.18. Transactions with Directors and Officers. None of the officers or directors of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as officers and directors including director indemnity agreements, or the contractual arrangement that the Company uses to control its VIE entities), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or, to the knowledge of the Company, any entity in which any officer or director has a substantial interest or is an officer, director, trustee or partner, other than (a) for payment of salary or consulting fees for services rendered, (b) reimbursement for expenses incurred on behalf of the Company and (c) for other employee benefits, including stock option agreements under the Benefit Plans.

3.19. Investment Company Act. The Company is not, and immediately after receipt of payment for the Notes will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3.20. Taxes.

(a) The Company and its Subsidiaries have filed all material tax returns that are required to have been filed by them pursuant to applicable national, provincial, local and non-U.S. tax law, and have paid all material taxes due pursuant to such returns or pursuant to any assessment received by the Company and its Subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not, individually or in the aggregate, result in a Material Adverse Effect.

(b) The Company does not believe it was a "passive foreign investment company" ("**PFIC**") as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), for its most recently completed taxable year and does not expect to be classified as a PFIC for its taxable year ending December 31, 2015.

(c) There are no stamp or other issuance or transfer taxes or duties or other similar fees or charges required to be paid in the Cayman Islands or the PRC in connection with the execution and delivery of this Agreement or the issuance or sale of the Notes.

3.21. Payments in Foreign Currency. Under current laws and regulations of the Cayman Islands and any political subdivision thereof, all dividends and other distributions declared and payable on the Securities and the underlying Ordinary Shares may be paid by the Company to the holder thereof in United States dollars and freely transferred out of the Cayman Islands without the necessity of obtaining any governmental authorization in the Cayman Islands or any political subdivision or taxing authority thereof or therein.

3.22. General Solicitation; No Integration. Neither the Company nor any other Person or entity authorized by the Company to act on its behalf has engaged in a general solicitation or general advertising (within the meaning of Regulation D of the Securities Act) of investors with respect to offers or sales of the Notes. The Company has not, directly or indirectly, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which, to its knowledge, is or will be integrated with the Notes sold pursuant to this Agreement.

3.23. Brokers. Neither the Company nor any other Person authorized by the Company to act on its behalf has retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement whose fees the Purchasers would be required to pay.

3.24. Reliance by the Purchasers. The Company acknowledges that the Purchasers will rely upon the truth and accuracy of, and the Company's compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Company set forth herein.

4. Representations and Warranties of the Purchasers. Each Purchaser, severally and not jointly, represents and warrants to the Company as follows:

4.1. Organization. The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

4.2. Authorization. The Purchaser has all requisite corporate or similar power to enter into this Agreement and the other Transaction Agreements to which it will be a party and to carry out and perform its obligations hereunder and thereunder. All corporate, member or partnership action on the part of the Purchaser or its stockholders, members or partners necessary for the authorization, execution, delivery and performance of this Agreement and the other Transaction Agreements to which it will be a party and the consummation of the other transactions contemplated herein has been taken. Assuming this Agreement constitutes the legal and binding agreement of the Company, this Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon their respective execution by the Purchaser and the other parties thereto and assuming that they constitute legal and binding agreements of the Company, each of the other Transaction Agreements to which the Purchaser will be a party will constitute a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3. No Conflict The execution, delivery and performance of the Transaction Agreements to which the Purchaser will be a party by the Purchaser, and the performance by the Purchaser of its obligations under the Transaction Agreement to which it will be a party will not conflict with or result in any violation of or default by the Purchaser (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation, a change of control right or to a loss of a material benefit under (i) any provision of the organizational documents of the Purchaser or (ii) any agreement or instrument, credit facility, franchise, license, judgment, order, statute, law, ordinance, rule or regulations, applicable to the Purchaser or its respective properties or assets, except, in the case of clause (ii), as would not, individually or in the aggregate, be reasonably expected to materially delay or hinder the ability of the Purchaser to perform its obligations under the Transaction Agreements to which it will be a party (a "**Purchaser Adverse Effect**").

4.4. Consents. All consents, approvals, orders and authorizations required on the part of the Purchaser in connection with the execution, delivery or performance of this Agreement and the Notes, the issuance of the Ordinary Shares and ADSs upon conversion of the Notes in accordance with their terms and the consummation of the other transactions contemplated hereby and thereby have been obtained or made, other than (i) the expiration or termination of the applicable waiting period under the HSR Act or any foreign antitrust requirements in connection with the issuance of Ordinary Shares and ADSs upon conversion of the Notes and (ii) such consents, approvals, orders and authorizations the failure of which to make or obtain, individually or in the aggregate, would not reasonably be expected to have a Purchaser Adverse Effect.

4.5. Absence of Litigation. As of the date hereof, there is no action, suit, proceeding, investigation or inquiry pending or, to the Purchaser's knowledge, threatened by or before any Governmental Authority against the Purchaser which, individually or in the aggregate, would reasonably be expected to have a Purchaser Adverse Effect, nor are there any orders, writs, injunctions, judgments or decrees outstanding of any court or Governmental Authority binding upon the Purchaser that would reasonably be expected to have a Purchaser Adverse Effect.

4.6. The Purchasers' Financing. At the Closing, Silver Lake will have all funds necessary to pay to the Company the full purchase price for the Notes being purchased by Silver Lake pursuant to this Agreement in immediately available funds. At all times between the date hereof and the Closing, Hillhouse has and will have all funds necessary to pay to the Company the full purchase price for the Notes being purchased by Hillhouse pursuant to this Agreement in immediately available funds.

4.7. Brokers and Finders. The Purchaser has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement whose fees the Company would be required to pay (other than pursuant to the reimbursement of expenses provisions of Section 10.7 hereof if applicable).

4.8. Purchase Entirely for Own Account. The Purchaser is acquiring the Securities for its own account and not with a view to, or for sale in connection with, any distribution of the Securities in violation of the Securities Act. The Purchaser has no present agreement, undertaking, arrangement, obligation or commitment providing for the disposition of the Securities.

4.9. General Solicitation. The Purchaser is not purchasing the Securities as a result of any general solicitation or general advertising (within the meaning of Regulation D of the Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

4.10. Investor Status.

(a) The Purchaser certifies and represents to the Company that the Purchaser is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act.

(b) The Purchaser (i) is able to fend for itself in the transactions contemplated by this Agreement, (ii) has such knowledge and experience in financial and business matters as to be able to evaluate the risks and merits of its prospective investment in the Securities, and (iii) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment.

(c) The Purchaser (i) has conducted its own investigation of the Company and the terms of the Securities, (ii) has had access to the Company's public filings and to such business, financial and other information as it deems necessary to make its investment decision, (iii) has been afforded the opportunity to ask questions of and receive answers from the management of the Company concerning this investment, and (iv) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

4.11. Securities Not Registered. The Purchaser understands that the Securities have not been registered under the Securities Act, by reason of their issuance by the Company in a transaction exempt from the registration requirements of the Securities Act, and that the Securities must continue to be held by the Purchaser unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration and in each case in accordance with any applicable securities laws of any state of the United States. The Purchaser understands that the exemptions from registration afforded by Rule 144 (the provisions of which are known to it) promulgated under the Securities Act depend on the satisfaction of various conditions including, but not limited to, the time and manner of sale, the holding period and on requirements relating to the Company which may be outside of the Purchaser's control and which the Company is under no obligation and may not be able to satisfy, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts.

4.12. Reliance by the Company. The Purchaser acknowledges that the Company will rely upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Purchaser set forth herein.

4.13. Ownership of Ordinary Shares and ADSs. Except, in the case of Hillhouse, as disclosed in its amended Schedule 13D filed with the SEC on April 9, 2015, and for changes subsequent to April 9, 2015 in an aggregate amount not to exceed 1% of the number of Ordinary Shares outstanding as described in Item 5 of such Schedule 13D, neither the Purchaser nor, to the Purchaser's knowledge, any Affiliated Entity, owns, and during the period beginning on the date of this Agreement and ending immediately after the Closing will not own, any Ordinary Shares or ADSs.

4.14. Transactions involving Ordinary Shares or ADSs. During the thirty (30) trading days ended prior to the date hereof neither the Purchaser nor, to the Purchaser's knowledge, any Affiliated Entity has engaged in any transaction involving Ordinary Shares or ADSs, or any option, warrant, convertible security, share appreciation right, swap agreement or other security, contract right or derivative position, whether or not presently exercisable, that has an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of Ordinary Shares or ADSs or a value determined in whole or part with reference to, or derived in whole or in part from, the value of Ordinary Shares or ADSs, including any short sale or hedging transaction, except, in the case of Hillhouse, for transactions not involving any short sale transaction in an aggregate amount not to exceed 1% of the number of Ordinary Shares outstanding as described in Item 5 of the Schedule 13D referred to in Section 4.13.

5. Covenants.

5.1. HSR Approval. The Company and the Purchasers acknowledge that one or more filings under the HSR Act may be necessary in connection with the issuance of the Ordinary Shares and ADSs upon conversion of the Notes. Each Purchaser shall be solely responsible for determining whether any filings under the HSR Act or any foreign antitrust requirements may be necessary in connection with any conversion of Notes held by it and will promptly notify the Company if any such filing is required. If any Purchaser determines that any such filing is required, such Purchaser shall not convert the Notes until such time as the applicable requirements of the HSR Act or such foreign antitrust requirements have been satisfied and any related approvals, consents or waivers have been received, or such time as such Purchaser determines that such requirements are no longer applicable. To the extent reasonably requested, the Company will cooperate with each Purchaser in timely making or causing to be made all applications and filings under the HSR Act or any non-U.S. antitrust requirements in connection with the issuance of the Ordinary Shares and ADSs upon conversion of Notes held by such Purchaser as promptly as reasonably practicable or as required by the law of the applicable jurisdiction. The Company shall as promptly as reasonably practicable provide from time-to-time such information and documentation regarding the Company and its Subsidiaries as the Purchasers or their respective assignees may reasonably request in order to determine what non-U.S. antitrust requirements may exist with respect to any potential conversion of the Notes. For the avoidance of doubt, any delivery of the ADSs upon conversion of the Notes shall be subject to the terms and conditions of the Indenture.

5.2. Shares and ADSs Issuable Upon Conversion. At any time that the Notes are outstanding, the Company shall cause to be maintained all authorizations required for the issuance of a number of Ordinary Shares and ADSs which the Company may be liable to issue upon the conversion of the Notes from time to time remaining outstanding, in accordance with the terms and conditions of the Notes. All Ordinary Shares and ADSs delivered upon conversion of the Notes shall be newly issued shares or shares held in treasury by the Company, shall have been duly authorized and validly issued and shall be fully paid and non-assessable and free of any lien and shall not be subject to any pre-emptive rights or similar rights and shall rank *pari passu* in all respects with other existing Ordinary Shares and ADSs. The Company will use reasonable best efforts to cause any ADSs issued upon conversion of the Notes to be listed with The NASDAQ Stock Market or, if the ADSs are no longer listed on the NASDAQ Stock Market, the primary stock exchange or quotation system on which the ADSs are then listed by the Company.

5.3. Further Assurances. Each party agrees to cooperate with each other and their respective officers, employees, attorneys, accountants and other agents, and, generally, do such other reasonable acts and things in good faith as may be necessary to effectuate the intents and purposes of this Agreement, subject to the terms and conditions hereof and compliance with applicable law, including taking reasonable action to facilitate the filing of any document or the taking of reasonable action to assist the other parties hereto in complying with the terms hereof. Without limiting the foregoing: the Company shall (x) execute and deliver the Indenture and engage a trustee under the Indenture and cause such trustee to execute and deliver the Indenture, (y) the Company will execute and deliver to the Purchasers the Registration Rights Agreement, and (z) the Company will execute and deliver to Silver Lake the VCOC Letter.

5.4. Information Rights.

(a) Subject to Section 5.4(b) hereof, upon the request of each Purchaser, the Company shall provide such Purchaser with the following information (in addition to any reports required to be provided under the Indenture):

(i) unaudited quarterly (as soon as available and in any event within 90 days of the end of each quarter) and audited (by a nationally recognized accounting firm) annual (as soon as available and in any event within 120 days of the end of each year) financial statements prepared in accordance with GAAP, which statements shall include:

(1) the consolidated balance sheets of the Company and its Subsidiaries and the related consolidated statements of income, shareholders' equity (with respect to annual reports only) and cash flows;

(2) a comparison to the corresponding data for the corresponding periods of the previous fiscal year; and

(3) to the extent the Company is required by law or pursuant to the terms of any outstanding indebtedness of the Company to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Exchange Act actually prepared by the Company as soon as available (*provided*, that any such reports shall be deemed to have been provided when such reports are publicly available via the SEC's EDGAR system or any successor to the EDGAR system).

(b) The rights of each Purchaser pursuant to this Section 5.4 shall be specific to such Purchaser and shall be non-transferable except to any Affiliated Entity. The rights of each Purchaser pursuant to Section 5.4(a)(i)(1)-(2) hereof shall be deemed satisfied by the delivery to such Purchaser of the reports described in Section 5.4(a)(i)(3) hereof to the extent such reports contain the information described in Section 5.4(a)(i)(1)-(2) hereof.

(c) The Company agrees to use its reasonable best efforts to not provide Hillhouse with any material nonpublic information regarding the Company except to the extent such information is requested by Hillhouse; *provided,* that the Company shall have no obligation to provide any information in response to any such request that is not otherwise required hereunder.

5.5. Specific Performance. The Purchasers and the Company agree that irreparable damage would occur and that the Company and the Purchasers, as applicable, would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. Accordingly, the Purchasers and the Company agree that in the event of any breach or threatened breach by the Company on the one hand and the Purchasers on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Company and the Purchasers, as applicable, shall without the necessity of proving the inadequacy of money damages or posting a bond or other security be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms, provisions and covenants contained herein, this being in addition to any other remedy to which they are entitled at law or in equity.

5.6. Use of Proceeds. The Company shall use the proceeds from the issuance of securities pursuant to this Agreement solely for general corporate purposes and mergers and acquisitions.

5.7. OFAC. The Company will not directly or indirectly use the proceeds of the Notes hereunder, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by the OFAC.

5.8. WKSI Covenant. If the Company ceases to be a WKSI at any time after the date of this Agreement, it shall file an initial Registration Statement (as defined in the form of Registration Rights Agreement) as promptly as practicable but in any case within sixty (60) days of the date it becomes aware, or reasonably should have known, that it is no longer a WKSI.

5.9. Officers Certificate. The Company shall deliver to the Purchasers at the Closing a certificate, dated as of the Closing Date and signed by the Chief Executive Officer or the Chief Financial Officer of the Company, certifying on behalf of the Company that the conditions specified in Section 6.1(a) hereof have been fulfilled and that the Company has performed in all material respects all obligations and conditions herein required to be performed or observed by the Company on or prior to the Closing Date.

5.10. VCOC Letter. The Company shall deliver to Silver Lake and any purchaser to which the rights and obligations of Silver Lake under this Agreement are assigned by Silver Lake prior to the Closing Date consistent with the terms of this Agreement at the Closing a letter in substantially the form attached hereto as Exhibit D (the "**VCOC Letter**") to the extent such letter has been requested by Silver Lake at least five (5) days prior to the Closing Date.

5.11. Observer Rights. No later than the date that is sixty (60) days following the Closing, the Company agrees to appoint, and Silver Lake shall be entitled to appoint, from time to time, by notice in writing to the Company, an individual (an "**Observer**") to attend any meetings of the board of directors. The Observer shall be entitled to speak at meetings of the board of directors and any committee thereof, but no Person shall have any right in respect of his/her status as an Observer to vote on questions put before the board of directors. At the request of the board of directors, the Observer shall recuse himself from any discussions. The rights of Silver Lake pursuant to this Section 5.11 shall be specific to Silver Lake and shall be non-transferable except to any Affiliated Entity.

5.12. Co-Investment Rights. The Company undertakes that it shall give each Purchaser, or its Affiliated Entities, a right of first offer to participate in any future opportunity to invest in the Company that is offered to private equity investors in terms that are no less favorable than the terms offered to such private equity investors. The portion of any such opportunity that shall be allocated to each Purchaser shall be equal to such Purchaser's aggregate shareholding percentage in the fully diluted capitalization of the Company based on the number of Ordinary Shares issuable upon conversion of the Notes then held by such Purchaser plus the number of Ordinary Shares or ADSs then held by such Purchaser that were issued upon prior conversion of Notes by such Purchaser, plus the portion of such investment opportunity allocated to the other Purchaser in the event the other Purchaser has elected not to, or is deemed to have elected not to, participate in such investment opportunity. Upon the Company's written notice to the Purchasers of such investment opportunity, each Purchaser agrees that it shall elect whether or not to exercise such right of first offer with respect to such investment opportunity within ten (10) business days of receiving notification from the Company, and shall also indicate whether or not such Purchaser elects to exercise such right of first offer with respect to the portion of such investment opportunity allocated to the other Purchaser in the event the other Purchaser has elected not to, or is deemed to have elected not to, participate in such investment opportunity; if any Purchaser has not made such an election within ten (10) business days, such Purchaser shall be deemed to have elected not to participate in such investment opportunity. The rights of each Purchaser pursuant to this Section 5.12 shall be specific to such Purchaser and shall be non-transferable except to any Affiliated Entity.

5.13. Cooperation. The Company and Silver Lake agree to hold quarterly meetings (which shall fall in months other than when scheduled board meetings are held) between senior management of the Company and senior members of the investment team from Silver Lake to provide consultation, advice and exchange of information concerning the business and operations of the Company, the online travel industry and other areas of mutual concern. The rights of Silver Lake pursuant to this Section 5.13 shall be specific to Silver Lake and shall be non-transferable except to any Affiliated Entity.

5.14. Benefit of Covenants. The covenants of the Company under this Section 5 shall be for the sole benefit of each of the Purchasers or Silver Lake, as applicable. Sections 5.4 (Information Rights), 5.8 (WKSI Covenant), 5.11 (Observer Rights), 5.12 (Co-Investment Rights), 5.13 (Cooperation) and 5.15 (Tax Covenant) hereof shall be in full force and effect with respect to the applicable Purchaser only for so long as such Purchaser's Investment Value is equal to or greater than 50% of the respective principal amount of Notes purchased by such Purchaser as set forth beside its name in Schedule 1 hereto. All other provisions in this Section 5 shall be in full force and effect with respect to the applicable Purchaser for so long as such Purchaser beneficially owns any Notes or Ordinary Shares and ADSs issued upon conversion of the Notes. "**Investment Value**" at any time shall mean (i) the outstanding principal amount of the Notes held by such Purchaser at such time, plus (ii) the number of Ordinary Shares or ADSs issued upon conversion of the Notes held by the Purchaser at such time multiplied by the Conversion Price at which such Ordinary Shares or ADSs were issued.

5.15. Tax Covenant. The Company shall (i) notify each Purchaser (using commercially reasonable efforts to provide such notice in a timely manner to allow each Purchaser to make the election and complete the filing requirements described in clause (ii) below) if it determines in respect to any taxable year that the Company and/or any of the entities in which the Company owns at least a 25% equity interest (by value) (directly or indirectly) is a PFIC and (ii) at the request of either Purchaser, provide such information as such Purchaser may reasonably request to comply with any reporting requirements in connection with such determination described in clause (i), including information needed to permit such Purchaser or any direct or indirect owner thereof to elect to treat the Company and/or any such entity as a "qualified electing fund" (within the meaning of Section 1295 of the Code) for U.S. federal income tax purposes and a complete and accurate "PFIC Annual Information Statement" for the applicable entity as described in Section 1.1295-1(g)(1) of the U.S. Treasury Regulations; provided, however, that the provision of any information pursuant to clause (ii) of this paragraph, including, but not limited to, the calculation of the Company's or any such entity's earnings and profits, ordinary earnings, or net capital gain, each as determined for U.S. federal income tax purposes, shall be solely at the expense of the requesting Purchaser (or if both Silver Lake and Hillhouse make such request, then Silver Lake and Hillhouse shall each be responsible for 50% of such expenses), including, but not limited to, the cost of any accounting, tax, legal or other advisors retained by the Company. Each Purchaser acknowledges and agrees that any information determined in connection with this Section 5.15 may be considered material nonpublic information for purposes of Section 5.4(c) hereof, and, regardless of whether such information so qualifies, may be publicly disclosed by the Company or otherwise shared by the Company with any other Purchaser, investor, or shareholder of the Company, and no such disclosure or sharing of such information shall alter the Purchasers' responsibility for such expenses. The rights of each Purchaser pursuant to this Section 5.15 shall be specific to such Purchaser and shall be non-transferable except to any Affiliated Entity.

6. Conditions Precedent.

6.1. Conditions to the Obligation of the Purchasers. The obligations of the Purchasers to consummate the transactions to be consummated at the Closing, and to purchase and pay for the Notes being purchased by it at the Closing pursuant to this Agreement, are subject to the satisfaction or waiver of the following conditions precedent:

(a) The representations and warranties of the Company contained in Section 3.1, Section 3.4, Section 3.5, Section 3.6(i), Section 3.22 and Section 3.23 hereof (each a "**Fundamental Representation**") herein shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date (it being understood and agreed by the Purchasers that for purposes of this Section 6.1(a), in the case of any representation and warranty of the Company contained herein (i) which is not hereinabove qualified by application thereto of a materiality standard, such representation and warranty need be true and correct only in all material respects or (ii) which is made as of a specific date, such representation and warranty need be true and correct only as of such specific date).

(b) The purchase of and payment for the Notes by the Purchasers shall not be prohibited or enjoined by any law or governmental or court order or regulation.

(c) The Company and the Trustee shall have executed and delivered the Indenture to the Purchasers and the Company shall have executed and delivered the Notes to the Purchasers.

(d) The Company shall have executed and delivered the Registration Rights Agreement in substantially the form attached hereto as Exhibit B (the "**Registration Rights Agreement**") to the Purchasers.

(e) The Purchasers shall have received from Shearman & Sterling LLP, United States counsel to the Company, an opinion in form and substance reasonably satisfactory to the Purchasers concerning the matters set forth on Exhibit C-1.

(f) The Purchasers shall have received from Maples and Calder, Cayman Islands special counsel to the Company, an opinion in form and substance reasonably satisfactory to the Purchasers concerning the matters set forth on Exhibit C-2.

(g) The Purchasers shall have received from TransAsia Lawyers, PRC special counsel to the Company, an opinion in form and substance reasonably satisfactory to the Purchasers concerning the matters set forth on Exhibit C-3.

(h) The Company shall have delivered to Purchasers the written consent from Baidu, Inc., required pursuant to Section 7(9) of the US$300 Million Credit Facility Contract, dated as of February 24, 2014, by and between the Company and Baidu, Inc.

6.2. Conditions to the Obligation of the Company. The obligation of the Company to consummate the transactions to be consummated at the Closing, and to issue and sell to the Purchasers the Notes to be purchased by them at the Closing pursuant to this Agreement, is subject to the satisfaction or waiver of the following conditions precedent:

(a) The representations and warranties contained herein of the Purchasers shall be true and correct on and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date (it being understood and agreed by the Company that, in the case of any representation and warranty of the Purchasers contained herein which is not hereinabove qualified by application thereto of a materiality standard, such representation and warranty need be true and correct only in all material respects).

(b) The Purchasers shall have performed in all material respects all obligations and conditions herein required to be performed or observed by the Purchasers on or prior to the Closing Date.

(c) The Company shall have received a certificate, dated the Closing Date, on behalf of each Purchaser, signed by an authorized representative thereof, certifying on behalf of such Purchaser that the conditions specified in the foregoing Sections 6.2(a) and (b) have been fulfilled.

(d) The purchase of and payment for the Notes by the Purchasers shall not be prohibited or enjoined by any law or governmental or court order or regulation.

(e) The Trustee shall have executed and delivered the Indenture to the Company.

(f) The Purchasers shall have executed and delivered the Registration Rights Agreement to the Company.

7. Termination.

7.1. Conditions of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time before the Closing (a) by mutual consent of the Company and the Purchasers, or (b) by either the Company or the Purchasers if the Closing shall not have occurred on or prior to September 1, 2015.

7.2. Effect of Termination. In the event of any termination pursuant to Section 7.1 hereof, this Agreement shall become null and void and have no effect, with no liability on the part of the Company or the Purchasers, or their directors, officers, general or limited partners, agents or stockholders, with respect to this Agreement, except for liability arising from any knowing and intentional breach by such party of any provision of this Agreement; *provided* that Section 8 and Section 9.14 of this Agreement shall indefinitely survive any termination of this Agreement in accordance with its terms.

8. Indemnification of the Purchasers.

8.1. General. The Company hereby agrees to indemnify and hold harmless each Purchaser, its Affiliates and its respective directors, officers, members, partners, employees and agents (each, an "**Indemnified Person**") for any and all losses, claims, damages, penalties, liabilities, fines, judgments, awards, settlements, costs, fees and expenses (including reasonable attorneys' fees incurred by the Indemnified Person in any Action in connection with any breach as set forth below) (collectively, "**Losses**") to which such persons may become subject as a result of (i) any breach of any representation or warranty contained in Section 3 hereof; or (ii) any breach of any covenant made or to be performed on the part of the Company under this Agreement, the Notes or the Indenture; and the Company will reimburse any such person for all reasonable expenses (including reasonable counsel fees and expenses), upon presentation of appropriate invoices containing reasonable detail, as they are incurred by any such person in any Action in connection with any such breach of representation, warranty or covenant or investigating, preparing or defending any such Action, pending or threatened, whether or not such person is a party thereto; provided that with respect to indemnification or reimbursement by the Company pursuant to this Section 8.1(a), (x) in the case of any indemnification pursuant to clause (i) other than in respect of a Fundamental Representation (which will not be subject to the limits of this clause (x)), and (y) the Company's maximum aggregate liability to the Indemnified Persons with respect to any Purchaser will not exceed the principal amount of Notes paid by such Purchaser.

8.2. Claims; Disputes. Each Indemnified Person shall give the Company prompt written notice (an "**Indemnification Notice**") of any third party Action it has actual knowledge of that might give rise to Losses, which notice shall set forth a description of those elements of such Action of which such Indemnified Person has knowledge; provided, that any delay or failure to give such Indemnification Notice shall not affect the indemnification obligations of the Company hereunder except to the extent the Company is materially prejudiced by such delay or failure.

8.3. Opportunity to Defend Third Party Claims. The Company shall have the right, exercisable by written notice to the applicable Indemnified Person(s) within thirty (30) days of receipt of the applicable Indemnification Notice, to select counsel to defend and control the defense of any third party claim set forth in such Indemnification Notice; provided that the Company shall not be entitled to so select counsel or control the defense of any claim if (i) such claim seeks primarily non-monetary or injunctive relief against the Indemnified Person or alleges any violation of criminal law, (ii) the Company does not, subsequent to its assumption of such defense in accordance with this Section 8.3, conduct the defense of the such claim actively and diligently, (iii) such claim includes as the named parties both the Company and the applicable Indemnified Person(s) and such Indemnified Persons reasonably determine upon the advice of counsel that representation of all such Indemnified Persons by the same counsel would be prohibited by applicable codes of professional conduct, or (iv) in the event that, based on the reasonable advice of counsel for the applicable Indemnified Person(s), there are one or more material defenses available to the applicable Indemnified Person(s) that are not available to the Company. If the Company does not assume the defense of any third party claim in accordance with this Section 8.3, the applicable Indemnified Person(s) may continue to defend such claim at the sole cost of the Company (in the case of clauses (i) or (ii)) or the applicable Indemnified Person(s) (in the case of clauses (iii) or (iv)) and the Company may still participate in, but not control, the defense of such third party claim at the Company's sole cost and expense.

8.4. Settlement. No Indemnified Person shall consent to a settlement of, or the entry of any judgment arising from, any such claim, without the prior written consent of the Company (such consent not to be unreasonably withheld, conditioned or delayed). Except with the prior written consent of the applicable Indemnified Person(s) (such consent not to be unreasonably withheld, conditioned or delayed), the Company, in the defense of any such claim, shall not consent to the entry of any judgment or enter into any settlement that (i) provides for injunctive or other nonmonetary relief affecting any Indemnified Person or (ii) does not include as an unconditional term thereof the giving by each claimant or plaintiff to each such Indemnified Person(s) of an unconditional release of such Indemnified Person(s) from all liability with respect to such Action. In any such third party claim where the Company has assumed control of the defense thereof, the Company shall keep the applicable Indemnified Person(s) informed as to the status of such claim at all stages thereof (including all settlement negotiations and offers), promptly submit to such Indemnified Person(s) copies of all pleadings, responsive pleadings, motions and other similar legal documents and paper received or filed in connection therewith, permit such Indemnified Person(s) and their respective counsels to confer with the Company and its counsel with respect to the conduct of the defense thereof, and permit such Indemnified Person(s) and their respective counsel(s) a reasonable opportunity to review all legal papers to be submitted prior to their submission

9. Miscellaneous Provisions.

9.1. Public Statements or Releases. No party to this Agreement shall make any public announcement with respect to the existence or terms of this Agreement or the transactions provided for herein without the prior approval of the other parties, which shall not be unreasonably withheld or delayed, other than a statement consistent with public announcements that were previously made by a party hereto in accordance with this Section 9.1. Notwithstanding the foregoing, nothing in this Section 9.1 shall prevent any party from making any public announcement it considers necessary in order to satisfy its obligations under the law or under the rules of any national securities exchange.

9.2. Interpretation.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and subsection references are to this Agreement unless otherwise specified. The headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, will be deemed to refer to the date set forth in the first paragraph of this Agreement. The meanings given to terms defined herein will be equally applicable to both the singular and plural forms of such terms. All matters to be agreed to by any party hereto must be agreed to in writing by such party unless otherwise indicated herein. References to agreements, policies, standards, guidelines or instruments, or to statutes or regulations, are to such agreements, policies, standards, guidelines or instruments, or statutes or regulations, as amended or supplemented from time to time (or to successors thereto).

(b) For the avoidance of doubt, all representations and warranties, covenants, acknowledgements, agreements, rights, duties and obligations of the Purchasers hereunder shall be several and not joint, and each Purchaser is liable only for its own obligations.

9.3. Notices. Any notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to be given when delivered in person or by private courier with receipt, if telefaxed when verbal or email confirmation from the recipient is received, or three (3) days after being deposited in the United States mail, first-class, registered or certified, return receipt requested, with postage paid and:

(a) If to the Company, addressed as follows:

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao
E-mail: yilu.zhao@qunar.com

with a copy to:

Shearman & Sterling LLP
12th Floor, Gloucester Tower
The Landmark
15 Queen's Road
Central
Hong Kong
Attention: Paul Strecker
Facsimile No.: +852 2978 8099
Email: Paul.Strecker@Shearman.com

(b) If to Silver Lake, addressed as follows:

Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, California 94025
Facsimile: (650) 233-8125
Attention: Karen King
Email: Karen.King@SilverLake.com

with a copy to:

Simpson Thacher & Bartlett LLP
3919 China World Tower
1 Jian Guo Men Wai Avenue
Beijing 100004
China
Facsimile: +86 10 5965-2988
Attention: Daniel Fertig
Email: dfertig@stblaw.com

(c) If to Hillhouse, addressed as follows:

Hillhouse Capital Management, Ltd.
190 Elgin Ave
George Town, Cayman Islands
KY91005
Facsimile: +852 2179-1900
Attention: Adam Hornung
Email: Legal@hillhousecap.com

with a copy to:

Goodwin Procter LLP
One Exchange Square
Suite 2801, 8 Connaught Place
Central, Hong Kong
Facsimile: +852 2801 5515
Attention: Yash A. Rana
Email: yrana@goodwinprocter.

Any Person may change the address to which notices and communications to it are to be addressed by notification as provided for herein.

9.4. Severability. If any part or provision of this Agreement is held unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto so long as the economic or legal substance of the transactions contemplated hereby is not effected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

9.5. Governing Law; Submission to Jurisdiction; Venue; Waiver of Trial by Jury.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) Each of the parties hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating solely to this Agreement or the transactions contemplated hereby, to the general jurisdiction of the Supreme Court of the State of New York, County of New York or the United States Federal District Court sitting for the Southern District of New York (and appellate courts thereof);

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same to the extent permitted by applicable law;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the party, as the case may be, at its address set forth in Section 9.3 hereof or at such other address of which the other party shall have been notified pursuant thereto;

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction for recognition and enforcement of any judgment or if jurisdiction in the courts referenced in the foregoing clause (i) are not available despite the intentions of the parties hereto;

(v) agrees that final judgment in any such suit, action or proceeding brought in such a court may be enforced in the courts of any jurisdiction to which such party is subject by a suit upon such judgment, provided that service of process is effected upon such party in the manner specified herein or as otherwise permitted by law;

(vi) agrees that to the extent that such party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, such party hereby irrevocably waives such immunity in respect of its obligations under this Agreement, to the extent permitted by law; and

(vii) irrevocably and unconditionally waives trial by jury in any legal action or proceeding in relation to this Agreement.

9.6. Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

9.7. Expenses. Within a reasonable time following the Closing (and in no event later than 30 days following the Closing), the Company shall reimburse Silver Lake for all of its reasonable out-of-pocket fees and expenses, including the reasonable fees and expenses of attorneys, accountants and consultants employed by Silver Lake, in connection with proposed investment in the Securities, the negotiation of the Transaction Agreements and the consummation of the transactions contemplated thereby up to US$80,000, above which amount, each of the Company and the Purchasers shall be responsible for the payment of their own fees and expenses.

9.8. Assignment. None of the parties may assign its rights or obligations under this Agreement or designate another Person (i) to perform all or part of its obligations under this Agreement or (ii) to have all or part of its rights and benefits under this Agreement, in each case without the prior written consent of (x) the Company and (y) the Purchasers; *provided*, that each Purchaser may assign its rights and obligations under this Agreement to one or more of its Affiliated Entities without the prior written consent of the Company or the other Purchaser. In the event of any assignment in accordance with the terms of this Agreement, the assignee shall specifically assume and be bound by the provisions of the Agreement by executing a writing agreeing to be bound by and subject to the provisions of this Agreement and shall deliver an executed counterpart signature page to this Agreement and, notwithstanding such assumption or agreement to be bound hereby by an assignee, no such assignment shall relieve any party assigning any interest hereunder from its obligations or liability pursuant to this Agreement.

9.9. Confidential Information.

(a) Each Purchaser, severally and not jointly, acknowledges that from time to time, such Purchaser may be given access to non-public, proprietary information with respect to the Company ("**Confidential Information**"). For purposes hereof, for each Purchaser, Confidential Information does not include, however, (i) information which is or becomes generally available to the public in accordance with law other than as a result of a disclosure by such Purchaser or its directors, managing members, officers, employees, agents, legal counsel, financial advisors, accounting representatives or potential funding sources ("**Representatives**") or their Affiliates, Subsidiaries or franchisees in violation of this Section 9.9 or any other confidentiality agreement to which the Company is a party or beneficiary, (ii) is, or becomes, available to such Purchaser on a non-confidential basis from a source other than the Company or any of its Affiliates or any of its Representatives, *provided*, that such source was not known to such Purchaser (after reasonable investigation) to be bound by a confidentiality agreement with, or any other contractual, fiduciary or other legal obligation of confidentiality to, us or any of our Subsidiaries or any of the Company's representatives, (iii) is already in such Purchaser's possession (other than information furnished by or on behalf of the Company or directors, officers, employees, representatives and/or agents of the Company), or (iv) is independently developed by such Purchaser without violating any of the confidentiality terms herein. Each Purchaser, severally and not jointly, agrees (i) except as required by law or regulatory or legal process, to keep all Confidential Information confidential and not to disclose or reveal any such Confidential Information to any Person other than to its Affiliates and its and their respective Representatives who need to know the Confidential Information for the purpose of evaluating, monitoring or taking any other action with respect to the investment by such Purchaser in the Notes (or the Ordinary Shares and ADSs into which the Notes are convertible) and to cause its Affiliates and Representatives to observe the terms of this Section 9.9 and (ii) not to use Confidential Information for any purpose other than in connection with evaluating, monitoring or taking any other action with respect to the investment by such Purchaser in the Notes (or the Ordinary Shares and ADSs into which the Notes are convertible).

(b) Each Purchaser, severally and not jointly, acknowledges that the United States securities laws prohibit any person who has received material, nonpublic information regarding the Company and its Subsidiaries from the Company and its Subsidiaries from purchasing or selling securities of the Company and each Purchaser agrees that for as long as such Purchaser possesses any Confidential Information that is material to the Company it will not purchase or sell any securities of the Company in violation of such laws.

9.10. Third Parties. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the parties to this Agreement any rights, remedies, claims, benefits, obligations or liabilities under or by reason of this Agreement, and no Person that is not a party to this Agreement (including, without limitation, any partner, member, shareholder, director, officer, employee or other beneficial owner of any party to this Agreement, in its own capacity as such or in bringing a derivative action on behalf of a party to this Agreement) shall have any standing as a third party beneficiary with respect to this Agreement or the transactions contemplated hereby; *provided* that (x) Section 8 hereof shall be for the benefit of and shall be enforceable by each of the Indemnified Persons, (y) Section 9.14 hereof shall be for the benefit of and shall be enforceable by each of the Specified Persons and (y) all of the provisions of this Agreement are for the benefit of and shall be enforceable by any Affiliated Entity that owns any Securities.

9.11. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.12. Entire Agreement; Amendments. This Agreement and the other Transaction Agreements constitute the entire agreement between the parties hereto respecting the subject matter hereof and supersedes all prior agreements, negotiations, understandings, representations and statements respecting the subject matter hereof, whether written or oral. No modification, alteration, or change in any of the terms of this Agreement shall be valid or binding upon the parties hereto unless made in writing and duly executed by the Company and the Purchasers. The Company, on the one hand, and the Purchasers, on the other hand, may by an instrument signed in writing by such parties waive the performance, compliance or satisfaction by the Purchasers or the Company, respectively, with any term or provision hereof or any condition hereto to be performed, complied with or satisfied by the Purchasers or the Company, respectively.

9.13. Survival. The representations and warranties contained in this Agreement shall terminate upon the first to occur of (x) the twelve (12) month anniversary of the Closing or (y) the termination of this Agreement pursuant to Section 7.1 hereof.

9.14. Recourse. Notwithstanding anything to the contrary in this Agreement, each Purchaser's liability for any liability, loss, damage or recovery of any kind (including special, exemplary, consequential, indirect or punitive damages or damages arising from loss of profits, business opportunities or goodwill, diminution in value or any other losses or damages, whether at law, in equity, in contract, in tort or otherwise) arising under or in connection with any breach of this Agreement (whether willfully, intentionally, unintentionally or otherwise) or the failure of the Closing to occur for any reason or otherwise in connection with the transactions contemplated by any Transaction Agreement or in respect of any oral representations made or alleged to have been made in connection therewith shall be no greater than the sum of the respective principal amount of Notes purchased by such Purchaser as set forth beside each of their names in Schedule 1 hereto, and the Purchasers shall have no further liability or obligation relating to or arising out of this Agreement or the transactions contemplated by any Transaction Agreement in excess of such amount.

[Remainder of Page Intentionally Left Blank.]

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

COMPANY:

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Chenchao Zhuang
Name:Chenchao Zhuang
Title:CEO

[Signature Page to Note Purchase Agreement]

SILVER LAKE:

SL CAMEL HOLDCO LIMITED

By: /s/ Zheng Wang
Name:Zheng Wang
Title:Director

[Signature Page to Note Purchase Agreement]

HILLHOUSE:

GAOLING FUND, L.P.

By: /s/ Tracy Ma
Name:Tracy Ma
Title:Managing Director

YHG INVESTMENT, L.P.

By: /s/ Tracy Ma
Name:Tracy Ma
Title:Managing Director

[Signature Page to Note Purchase Agreement]

EXHIBIT A

FORM OF INDENTURE

[Filed Separately]

EXHIBIT B

FORM OF REGISTRATION RIGHTS AGREEMENT

[Filed Separately]

EXHIBIT C-1

MATTERS TO BE COVERED BY OPINION OF SHEARMAN & STERLING LLP
(UNITED STATES SPECIAL COUNSEL TO THE COMPANY)

- Enforceability of the Notes, the Indenture, and the Registration Rights Agreement (the "Transaction Documents")
- No conflict with U.S. Federal or New York law or regulation
- No consents or approvals required of any U.S. Federal or New York authority
- No SEC registration required

EXHIBIT C-2

MATTERS TO BE COVERED BY OPINION OF MAPLES AND CALDER
(CAYMAN ISLANDS SPECIAL COUNSEL TO THE COMPANY)

- Due incorporation and existence in good standing of the Company
- The Notes are duly authorized
- The issue and allotment of Ordinary Shares upon conversion of the Notes has been duly authorized and when such shares are issued upon such conversion, they will be legally and validly issued and allotted as fully paid and non-assessable; and not subject to preemptive rights under Cayman law or the memorandum and articles of association of the Company
- The Transaction Documents have been duly authorized by an on behalf of the Company, and once executed and delivered by the Company, will constitute the legal, valid and binding obligations of the Company which are enforceable in accordance with their terms
- The execution, delivery and performance of the Transaction Documents and the Notes do not conflict with the Company's organizational documents or any law, public rule or regulation applicable to the Company currently in force in the Cayman Islands
- No consent required of any local authority
- Valid choice of New York law and submission to jurisdiction of the U.S. Federal and New York courts and a judgment obtained from U.S. Federal or New York courts could be recognised and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, subject to certain criteria
- Company is not entitled to claim immunity from any proceeding in the Cayman Islands
- Purchasers not required to be licensed or qualified to do business in the Cayman Islands to enforce any of their rights

EXHIBIT C-3

MATTERS TO BE COVERED BY OPINION OF TRANSASIA LAWYERS
(PRC SPECIAL COUNSEL TO THE COMPANY)

- Due incorporation and existence in good standing of the PRC Subsidiaries
- Equity interests of PRC Subsidiaries has been fully paid, clean of liens, with no outstanding rights to acquire any equity interest in the PRC Subsidiaries
- Good title to assets of PRC Subsidiaries
- Articles of Association of each PRC Subsidiary comply with law and are in full force and effect
- PRC Subsidiaries have all necessary licenses, consents, approvals, etc. to operate their business
- The Transaction Documents are enforceable
- No consent or approval required of any local authority
- PRC Subsidiaries not in violation of Articles of Association, contractual instruments or applicable law
- No material legal proceedings
- Dividends declared and payable in accordance with law may be freely transferred out the PRC, and are exempt from withholding tax and income tax
- No stamp duties, income, withholding or other taxes payable by Purchasers as a result of the Transaction
- Execution of Transaction Documents and performance by Company will not conflict with other contractual obligations or affect validity of the contemplated Transaction, violate the Articles of Association or business licenses of the Company or violate applicable law.
- Valid choice of New York law and submission to jurisdiction of the U.S. Federal and New York courts and conclusive judgment on the merits from U.S. Federal or New York courts could be enforced by execution against the Company
- Company is not entitled to claim immunity from any proceeding in the PRC
- Purchasers not required to be licensed or qualified to do business in the PRC to enforce any of their rights

EXHIBIT D

FORM OF VCOC LETTER

This VCOC AGREEMENT (this "Agreement") is entered into as of [ ], 2015, by and between Qunar Cayman Islands Limited, an exempted company with limited liability incorporated in the Cayman Islands, (the "Company") and SL Camel Holdco Limited, a Cayman Islands exempted company ("Fund").

RECITALS

A. In light of Fund's organizational documents, Fund is intended to have and maintain the status of a "venture capital operating company" (or "VCOC") as defined in the Department of Labor Regulations, Section 25101.3-101(d) (the "Regulations").

B. The Regulations require that a venture capital operating company must have direct contractual rights to participate substantially in or substantially influence the conduct of the management of its portfolio companies.

C. In order to induce Fund to invest in the Company, the Company has agreed to provide such rights to Fund in connection with Fund's purchase of 2.0% Convertible Senior Notes due 2021 of the Company (the "Securities") pursuant to that certain Note Purchase Agreement dated as of June 1, 2015 (the "Purchase Agreement").

NOW, THEREFORE, the parties hereto agree that upon Fund's purchase of the Securities, Fund will be entitled to the following contractual management rights, in addition to rights to non-public financial information, inspection rights and other rights specifically provided to Fund in connection with the current financing:

(1) Fund shall be entitled to consult with and advise management of the Company on significant business issues, including management's proposed annual and quarterly operating plans, at the Company's facilities at such times as the Fund may reasonably request;

(2) Upon reasonable advance notice, Fund may examine the books and records of the Company and inspect its facilities and may request information at reasonable times and intervals concerning the general status of the Company's financial condition and operations, provided that access to highly confidential or proprietary information which the Company reasonably believes the disclosure or dissemination of which, because of the particularly sensitive or extremely confidential nature, could reasonably be expected to harm the operation, business or the prospects of the Company, need not be provided; and

(3) If Fund does not have a contractual representative on the Company's Board of Directors, the Company shall invite a representative of Fund to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative timely copies of all notices, minutes, consents and other material that it provides to its directors. Such representative may participate in discussions of matters brought to the Board of Directors. At the request of the Board of Directors, the Observer shall recuse himself from any discussions.

Fund hereby agrees that it will not request or otherwise seek to obtain any information pursuant to the foregoing provisions, and will not use (or permit to be used) any information obtained pursuant to the foregoing provisions, except for lawful purposes relating solely to Fund's interest as an investor. Fund agrees (a) to hold in confidence and trust and not use or disclose to any third party (other than its legal counsel and accountants who have a need to know such information) any confidential information provided to or learned by such party in connection with the exercise of Fund's rights under this letter, (b) not to make copies of any materials, records or documents that constitute or contain such confidential information, except as required to allow Fund to exercise its rights under this letter, and (c) upon request of the Company, at such time that Fund loses its rights under this letter, to promptly deliver to the Company all materials, records or documents in its possession that constitute or contain such confidential information, and all copies thereof, whether in hard-copy or electronic form.

The rights described herein shall terminate and be of no further force or effect upon the first to occur of: (i) such time as Fund, together with its affiliates, collectively, do not own Securities, together with ordinary shares or American depositary shares representing ordinary shares issued upon conversion of the Securities (and based upon the then applicable conversion rate for the Securities), representing at least US$165,000,000 principal amount of the Securities, (ii) the Company sells all or substantially all of its assets, (iii) any "person" or "group" (as such terms are used in Section 13 of the Exchange Act) becomes a "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% or more of the total outstanding voting power of all classes of the Company's capital stock entitled to vote generally in the election of directors, (iv) the Company participates in any merger, consolidation or similar transaction unless immediately following the consummation of such transaction the stockholders of the Company immediately prior to the consummation of such transaction continue to hold (in substantially the same proportion as their ownership of the Company's voting stock immediately prior to the transaction) more than 50% of all of the outstanding ordinary shares or other securities entitled to vote for the election of directors of the surviving or resulting entity in such transaction, (v) Fund irrevocably waives and terminates all of its rights under this Agreement, or (vi) Fund no longer requires the rights described herein in order to maintain its status as a "venture capital operating company." However, the confidentiality obligations of Fund under this letter will survive for a period of three years following the termination of Fund's management rights set forth herein.

In the event the Fund transfers all or any portion of its investment in the Company to an Affiliated Entity (as defined in the Purchase Agreement) (or to a direct or indirect wholly-owned Subsidiary of any such Affiliated Entity) that is intended to qualify as a venture capital operating company under the Plan Asset Regulation, such Affiliated Entity shall be afforded the same rights that the Company has afforded to the Fund hereunder and shall be treated, for such purposes, as a third party beneficiary hereunder. Fund may not otherwise transfer or assign any of its rights under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have hereby executed this Agreement as of the date first above written.

QUNAR CAYMAN ISLANDS LIMITED

By: _____
Name:
Title:

SL CAMEL HOLDCO LIMITED

By: _____
Name:
Title:

SCHEDULE 1

ALLOCATION OF NOTES TO PURCHASERS

Purchaser		Principal Amount of Notes
SL Camel Holdco Limited	US$	330,000,000
Gaoling Fund, L.P.	US$	163,400,000
YHG Investment, L.P.,	US$	6,600,000
Total:	US$	500,000,000

Exhibit 2.6

Execution Version

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "***Agreement***") is made and entered into as of June 17, 2015, by and among Qunar Cayman Islands Limited, an exempted company with limited liability organized under the laws of the Cayman Islands (the "***Company***"), SL Camel Holdco Limited, an exempted company with limited liability organized under the laws of the Cayman Islands ("***Silver Lake***"), Gaoling Fund, L.P., an exempted limited partnership organized under the laws of the Cayman Islands ("***Gaoling***"), and YHG Investment, L.P., an exempted limited partnership organized under the laws of the Cayman Islands ("***YHG***" and, together with Gaoling, "***Hillhouse***", and together with Silver Lake, the "***Investors***").

WHEREAS, the Investors have, pursuant to that certain Note Purchase Agreement, dated as of June 1, 2015, between the Company and the Investors (the "***Purchase Agreement***"), agreed to purchase US$500,000,000 aggregate principal amount of the Company's 2.0% Senior Convertible Notes due 2021 (the "***Notes***"), subject to the terms and conditions set forth therein; and

WHEREAS, it is a condition to the closing (the "***Closing***") of the transactions contemplated by the Purchase Agreement that the Company and the Investors enter into this Agreement at or prior to the Closing in order to grant the Holders certain registration rights as set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Investors agree as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the respective meanings set forth in this Section 1:

"***ADS***" means an American Depositary Share, issued pursuant to the Deposit Agreement, each representing three Class B Ordinary Shares as of the date of this Agreement and deposited with the ADS Custodian.

"***ADS Custodian***" means Deutsche Bank AG, Hong Kong Branch with respect to the ADSs delivered pursuant to the Deposit Agreement, or any successor entity thereto

"***ADS Depositary***" means Deutsche Bank Trust Company Americas.

"***Affiliate***" of any Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of this definition, "control" when used with respect to any Person has the meaning specified in Rule 12b-2 under the Exchange Act; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"***Business Day***" means any day that is not a Saturday, a Sunday or other day on which the Federal Reserve Bank of New York or a bank in Hong Kong or the Cayman Islands is authorized or required by Law close or be closed.

"***Class A Ordinary Shares***" means Class A ordinary shares of the Company, par value US$0.001 per share, at the date of this Agreement.

"***Class B Ordinary Shares***" means Class B ordinary shares of the Company, par value US$0.001 per share, at the date of this Agreement.

"***Deposit Agreement***" means the deposit agreement dated October 31, 2013, among the Company, the ADS Depositary, and all holders and beneficial owners from time to time of the ADSs issued thereunder or, if amended or supplemented as provided therein, as so amended or supplemented.

"***Equity Securities***" means, with respect to a Person, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any contract providing for the acquisition of any of the foregoing.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"***Filing Date***" means the forty-fifth (45th) day following the delivery of a Demand Notice or such later date as specified in the Demand Notice.

"***Holder***" means any Person who holds Registrable Securities or any assignee of record of such Registrable Securities to whom rights under this Agreement have been duly assigned in accordance with this Agreement.

"***Indenture***" has the meaning set forth in the Purchase Agreement.

"***Ordinary Shares***" means the ordinary shares of the of the Company, including Class A Ordinary Shares and Class B Ordinary Shares.

"***Person***" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"***Prospectus***" means (i) the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus, and (ii) any "free writing prospectus" as defined in Rule 405.

"***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 effectiveness of such Registration Statement.

"***Registrable Securities***" means (i) the Notes; (ii) any and all Ordinary Shares that are issued to the Investors upon conversion of the Notes, provided, that such Notes have not been disposed of pursuant to an effective Registration Statement, (iii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, in exchange for or in replacement of, Ordinary Shares described in clause (ii); and (iv) any ADSs issued in respect of any Ordinary Shares described in clauses (ii) or (iii). Registrable Securities shall cease to be Registrable Securities upon the earlier of (A) when, with respect to any Holder of Registrable Securities, all Registrable Securities proposed to be sold by such Holder may then be sold pursuant to Rule 144 without any restriction and (B) the date as of which a Registration Statement covering resale of such Registrable Securities has been declared effective under the Securities Act by the SEC and such Registrable Securities have been disposed of pursuant to such effective Registration Statement.

"***Registrable Securities Then Outstanding***" means the respective number of Notes (calculated on an as-converted basis), Ordinary Shares or ADSs (calculated on the basis of the underlying Ordinary Shares) that are Registrable Securities and are then issued and outstanding.

"***Registration Statement***" means any registration statement, including a Shelf Registration Statement, of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"***Rule 144***" means Rule 144 promulgated by the SEC under the Securities Act , as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"***Rule 405***" means Rule 405 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"***Rule 415***" means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"***SEC***" means the Securities and Exchange Commission of the United States of America or any other federal agency at the time administering the Securities Act.

"***Securities Act***" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"***WKSI***" means a "well known seasoned issuer" as defined under Rule 405.

2. **Demand Registration.**

(a) If at any time after the date hereof, the Company receives a written notice (the "***Demand Notice***") from (A) the Holder(s) of at least a majority of the Registrable Securities or (B) Hillhouse (to the extent that it is still a Holder of the Registrable Securities), the Company shall, on or prior to the Filing Date, prepare and file with the SEC a Registration Statement covering the resale of all Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415 (a "***Shelf Registration Statement***"); *provided*, that Hillhouse shall not be entitled to effect more than one registration pursuant to Section 2(a)(B). Such Shelf Registration Statement shall be on Form F-3 (or, if Form F-3 is not then available to the Company, on such form of Shelf Registration Statement as is then available to effect a registration for resale of the Registrable Securities) and, if the Company is a WKSI as of the Filing Date, shall be an automatic Shelf Registration Statement. The Company shall use its best efforts (i) to cause such Shelf Registration Statement to be declared effective under the Securities Act (unless it becomes effective automatically upon filing) as promptly as possible after the filing thereof, and (ii) to keep such Shelf Registration Statement continuously effective under the Securities Act until such date as is the earlier of (x) the date on which all Registrable Securities covered by such Shelf Registration Statement have been sold or (y) the date on which the Registrable Securities may be sold without any restriction pursuant to Rule 144 (the "***Effective Period***").

(b) If the Company is unable to Register all of the Registrable Securities for resale under Rule 415 due to limits imposed by the SEC's interpretation of Rule 415, the Company will file a Registration Statement under the Securities Act with the SEC covering the resale by the Holders of such lesser amount of the Registrable Securities as the Company is able to Register pursuant to the SEC's interpretation of Rule 415 and use its best efforts to have such Registration Statement declared effective as promptly as possible and, when permitted to do so by the SEC, to file subsequent Registration Statement(s) under the Securities Act with the SEC covering the resale of any Registrable Securities that were omitted from previous Registration Statement(s) and use its best efforts to have such registration declared effective as promptly as possible thereafter. In furtherance of the Company's obligations set forth in the preceding sentence, the parties agree that in the event that any Holder shall deliver to the Company a written notice at any time after the later of (x) the date which is six months after the effective date of the latest Registration Statement filed pursuant to Section 2(a) or Section 2(b), as applicable, or (y) the date on which all Registrable Securities Registered on all of the prior Registration Statements filed pursuant to Section 2(a) or Section 2(b) are sold, that the Company shall file, within forty-five (45) days following the date of receipt of such written notice, an additional Registration Statement Registering all Registrable Securities that were omitted from the initial Registration Statement.

(c) The Company shall pay all expenses associated with each registration (other than underwriting discounts and commissions related to the sale of Registrable Securities), including all registration and filing fees, printing, duplicating, word processing, facsimile and delivery expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements of one counsel representing all Holders of Registrable Securities consisting of Ordinary Shares or ADSs participating in the registration of Ordinary Shares or ADSs not to exceed US$100,000 (*provided*, that the Company shall not be required to pay any fees and disbursements of any counsel representing Holders of Notes participating in a registration of Notes), "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 depository or other fees under the Deposit Agreement. Notwithstanding the above, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2(a) if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities Then Outstanding to be Registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), provided, however, if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders or otherwise publicly disclosed at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses. All underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities pursuant to this Agreement shall be borne by the holders of the securities Registered pro rata on the basis of the number of shares Registered.

(d) In the event that, in the reasonable judgment of the Company, it is advisable to suspend use of a Registration Statement or Prospectus therein due to pending material developments or other events that have not yet been publicly disclosed and as to which the Company believes public disclosure would be detrimental to the Company, the Company shall notify the Holders in writing to such effect, and, upon receipt of such notice, the Holders shall immediately discontinue any sales of Registrable Securities pursuant to such Registration Statement or Prospectus until the Holders have received copies of a supplemented or amended Prospectus or until the Holders are advised in writing by the Company that the then current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Notwithstanding anything to the contrary herein, the Company shall not exercise its rights under the preceding sentence to suspend sales of Registrable Securities for a period in excess of forty-five (45) consecutive calendar days during any one hundred and eighty (180) day period and in no event shall more than one suspension event exceed, in the aggregate, sixty (60) days in any twelve (12) month period. In the event (x) any one such suspension event shall exceed forty-five (45) consecutive calendar days during any one hundred and eighty (180) day period, or (y) more than one such suspension event shall exceed, in the aggregate, sixty (60) days in any twelve (12) month period, and "***Event***" shall be deemed to have occurred.

(e) Notwithstanding anything in this Agreement to the contrary, so long as the Registration Statement is on Form F-1 or on any other form that does not allow for forward incorporation by reference of reports and other materials filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act, the Company may suspend sales under such Registration Statement as follows (but, in any event, no single suspension event shall exceed forty-five (45) days in any one hundred and eighty (180) day period and in no event shall more than one suspension event exceed, in the aggregate, sixty (60) days in any twelve (12) month period): (i) for the period commencing at the time that the Company disseminates a press release announcing its preliminary financial results for any fiscal period and ending on the third (3rd) Business Day after the earlier of (A) the date that the related report on Form 20-F under the Exchange Act is filed with the SEC and (B) the date on which such report is required to be filed under the Exchange Act (giving effect to Rule 12b-25 promulgated thereunder); (ii) for the period commencing at the time that the Company disseminates a press release announcing a material development that would make a statement of a material fact in such Registration Statement untrue or misleading and ending on the third (3rd) Business Day after the earlier of (A) the date that the related report on Form 6-K is filed with the SEC and (B) the date on which such report is required to be filed under the Exchange Act (giving effect to Rule 12b-25 promulgated thereunder); (iii) to the extent necessary to allow any post-effective amendment to the Registration Statement or supplement to the prospectus to be prepared and, if necessary, filed with the SEC and, in the case of a post-effective amendment, declared effective; and (iv) for a period during which the Company, in the good faith opinion of the board of directors of the Company, determines that the disclosure of material, non-public information concerning the Company or any of its subsidiaries would be materially detrimental to the Company; provided, that the Company shall promptly notify the Holders in writing (I) of the existence of such material, non-public information (provided that in each notice the Company will not disclose the content of such material, non-public information to the Holders) and the date on which such suspension will begin and (II) of the date on which such suspension ends.

3. **Piggyback Registrations.**

(a) If the Company proposes to file a Registration Statement under the Securities Act for its own account or the account of others under the Securities Act of any of its Equity Securities (including registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to (i) any employee benefit plan or (ii) a corporate reorganization, merger or acquisition), then the Company shall notify all Holders in writing at least thirty (30) calendar days prior to such filing and will afford each such Holder an opportunity to include in such Registration Statement all or any part of the Registrable Securities then held by such Holder. Each Holder wishing to include in any such Registration Statement all or any part of the Registrable Securities held by such Holder shall, within twenty (20) calendar days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such Registration Statement on the same terms and conditions as the Equity Securities of the Company included therein. If a Holder decides not to include all of its Registrable Securities in any Registration Statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include its Registrable Securities in any subsequent Registration Statement that may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) If a Registration Statement under which the Company gives notice under this Section 3 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include its Registrable Securities in a registration pursuant to this Section 3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriter(s) selected by the Company for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares (including Registrable Securities) from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated: (1) first, the Equity Securities to which the Company proposes to sell for its own account, (2) second, the Registrable Securities requested by the Holders to be included in such registration, pro rata among the Holders requesting inclusion in such registration on the basis of the number of securities requested to be included by all such Holders, and (3) third, any other Equity Securities of the Company requested to be included.

(c) With respect to a Registration Statement initiated by the Company for its own account, the Company shall have the right to terminate or withdraw such registration at any time prior to the effectiveness of the Registration Statement, whether or not any Holder has elected to include Registrable Securities in such registration.

4. **Event Payments**. Should an Event occur then, upon each monthly anniversary of the occurrence of such Event (an "***Event Payment Date***") until the applicable Event is cured, as relief for the damages suffered therefrom by the Holder (the parties hereto agreeing that the liquidated damages provided for in this Section 4 constitute a reasonable estimate of the damages that may be incurred by the Holder by reason of such Event and that such liquidated damages represent the exclusive monetary remedy for the Holders for damages suffered due to such Event; *provided, however*, that this shall in no manner limit the Holders' entitlement to specific performance as provided for in Section 13(a)), the Company shall pay to the Holder an amount in cash, as liquidated damages and not as a penalty, equal to one-twentieth of a percent (0.05%) of (i) the number of Registrable Securities included in the applicable Registration Statement then held by the Holder as of the date of such Event, multiplied by (ii) the purchase price paid by the Holder for such Registrable Securities included in the applicable Registration Statement then held, for each day that such Event continues, excluding the day on which such Event has been cured. The payments to which the Holder shall be entitled pursuant to this Section 4 are referred to herein as "***Event Payments***." In the event the Company fails to make Event Payments to the Holder within five (5) Business Days after an Event Payment Date, such Event Payments owed to the Holder shall bear interest at the rate of one half percent (0.5%) per month (prorated for partial months) until paid in full. All pro rated calculations made pursuant to this paragraph shall be based upon the actual number of days in such pro rated month. Notwithstanding the foregoing provisions, in no event shall the Company be obligated to pay such liquidated damages in an aggregate amount that exceeds five percent (5.0%) of the purchase price paid by the Holder for its Registrable Securities included in the applicable Registration Statement pursuant to the Purchase Agreement.

5. **Termination of Registration Rights**. The registration rights granted under Section 2 and Section 3 hereof shall automatically terminate upon the earliest of (i) such time as there are no outstanding Registrable Securities and (iii) December 17, 2021.

6. **Obligations of the Company**. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as expeditiously as possible:

(a) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities and use its best efforts to cause a Registration Statement that Registers such Registrable Securities to become effective, and keep such Registration Statement effective for the period specified in Section 2, and if not so specified therein, for the lesser of (i) one hundred and eighty (180) days and (ii) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(b) prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection with such Registration Statement as may be necessary to keep the Registration Statement effective for the Effective Period and to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all securities covered by such Registration Statement;

(c) furnish to the Holders such number of copies of a Prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration;

(d) notify in writing the Holders and their counsel (i) of the receipt by the Company of any notification with respect to any comments by the SEC with respect to such Registration Statement or Prospectus or any amendment or supplement thereto or any request by the SEC for the amending or supplementing thereof or for additional information with respect thereto, (ii) of the receipt by the Company of any notification with respect to the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or Prospectus or any amendment or supplement thereto or the initiation or threatening of any proceeding for that purpose, (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes, and (iv) of the existence of any fact or the happening of any event that causes the Company to become an "ineligible issuer,"

(e) use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of the Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment;

(f) use its best efforts to Register and qualify the securities covered by such registration statement under such other securities Laws of such jurisdictions as shall be reasonably requested by the Holders; provided, however, the Company shall not be required in connection therewith or as a condition thereto to qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6(f) or to file a general consent to service of process in any such jurisdictions;

(g) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering;

(h) immediately notify each Holder of Registrable Securities covered by such Registration Statement, at any time prior to the end of the Effective Period, upon discovery that, or upon the happening of any event as a result of which, the Prospectus includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and promptly prepare, file with the SEC and furnish to such Holder a supplement to or an amendment of such Prospectus as may be necessary so that such Prospectus shall not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(i) furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the Registration Statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders of Registrable Securities Then Outstanding requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities, and (ii) a "comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders of Registrable Securities Then Outstanding requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities;

(j) use its best efforts to list such Registrable Securities on each securities exchange on which the ADSs representing the Ordinary Shares are then listed;

(k) cooperate with the Holders and the Depositary to facilitate the timely delivery of ADSs (in book entry or certificated form) to be delivered to a transferee pursuant to a Registration Statement, which ADSs shall be free of all restrictive legends. In connection therewith, if required by the Company's agent which maintains the register of members of Ordinary Shares or the Depositary, the Company shall promptly after the effectiveness of the Registration Statement cause an opinion of legal counsel as to the effectiveness of the Registration Statement to be delivered to such agent or the Depositary, together with any other authorizations, certificates and directions requested by such agent or the Depositary, which authorize and direct such agent or the Depositary to issue such Registrable Securities without legend upon sale by the Holders under the Registration Statement; and

(l) provide a transfer agent and registrar, which may be a single entity, for the Registrable Securities not later than the effective date of the relevant Registration Statement.

7. **Furnish Information**. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2 or Section 3 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be reasonably required to timely effect the registration of their Registrable Securities.

8. **Review by Counsel**. In connection with the preparation and filing of each Registration Statement Registering Registrable Securities under the Securities Act, a single counsel selected by the Holders holding a majority of the Registrable Securities being registered in such registration shall be permitted to review such Registration Statement, each Prospectus included therein or filed with the SEC, and each amendment thereof or supplement thereto a reasonable period of time prior to their filing with the SEC.

9. **Maintenance of Form F-6**. The Company covenants that it will maintain the effectiveness of its Registration Statement on Form F-6 which registers a number of ADSs that is sufficient to allow the Holders to exercise their rights under, and sell their Registrable Securities in the United States in the manner contemplated by this Agreement. In the event that the Depositary, or any successor which administers the Company's ADS program, imposes any fees or expenses on any Holder in connection with the deposit by such Holder of its Registrable Securities in exchange for ADSs made by such Holder for any reason, the Company shall pay all such fees and expenses.

10. **Indemnification.**

(a) By the Company. The Company shall indemnify and hold harmless each Holder, its officers, directors, employees, members, partners, and advisors and their respective Affiliates, each underwriter, broker or any other Person acting on behalf of such Holder and each other Person, if any, who controls any of the foregoing Persons within the meaning of the Securities Act or the Exchange Act against all losses, claims, damages, liabilities, or actions joint or several (or actions in respect thereof), to which any of the foregoing Persons may become subject under the Securities Act, the Exchange Act or other federal or state securities law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "***Violation***"): (i) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) 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; or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any federal or state securities Law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any federal or state securities Law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, officer, director, employee, member, partner, and advisor and their respective Affiliates, each underwriter, broker or any other Person acting on behalf of such Holder or controlling Person for any legal or other expenses reasonably incurred by them in connection with defending any such loss, claim, damage, liability or action; provided, however, the indemnity agreement contained in this Section 10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such foregoing Person.

(b) By the Selling Holders. Each selling Holder shall, severally and not jointly, indemnify and hold harmless the Company, each of its directors, officers who have signed the registration statement and advisors and each of their respective Affiliates, each underwriter, broker, and each other Person, if any, who controls any of the foregoing Persons within the meaning of the Securities Act or the Exchange Act, against all losses, claims, damages or liabilities (joint or several) to which the Company or any such foregoing Person may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such foregoing Person in connection with defending any such loss, claim, damage, liability or action; provided, however, the indemnity agreement contained in this Section 10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of the Holder (which consent shall not be unreasonably withheld); *provided*, further, the total amounts payable in indemnity by a Holder under this Section 10(b) and Section 10(d) in respect of any Violation shall not exceed the net proceeds actually received by such Holder upon the sale of the Registrable Securities out of which such Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 10.

(d) Contribution. If the indemnification provided for in this Section 10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable Law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in no event shall any contribution by a Holder hereunder, when combined with the amounts paid or payable by such Holder pursuant to Section 10(b) hereof, exceed the net proceeds actually received by such Holder upon the sale of the Registrable Securities out of which such Violation arises.

(e) Survival. The obligations of the Company and Holders under this Section 10 shall survive the completion of any offering of Registrable Securities in a registration statement, and otherwise.

11. **Rule 144 Reporting**. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC which may at any time permit the Holders to sell Registrable Securities to the public without registration, 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 of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) file with the SEC 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) furnish to each Holder upon request, as long as such Holder owns any Registrable Securities, (A) a written statement by the Company that it has complied with the reporting requirements of the Exchange Act and (B) a copy of the most recent periodic report of the Company and such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing a Holder to sell any such securities without registration (at any time after the Company has become subject to the reporting requirements of the Exchange Act).

12. **No Additional Registration Rights**. After the date hereof, the Company shall not, without first obtaining the written consent of the Holder or Holders of a majority of the Registrable Securities Then Outstanding, grant registration rights on terms more favorable than the registration rights granted pursuant to this Agreement.

13. **Miscellaneous.**

(a) Remedies. In the event of a breach by the Company or by a Holder, of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages alone would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Amendments and Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and the Electing Holders. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

(c) Notices. Except where explicitly stated otherwise, any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or electronic mail as specified in this Section prior to 5:00 p.m. (New York time) on a Business Day, (ii) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile or electronic mail as specified in this Agreement later than 5:00 p.m. (New York time) on any date and earlier than 11:59 p.m. (New York time) on such date, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

(i) If to the Company, addressed as follows:

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao
E-mail: yilu.zhao@qunar.com

with a copy to:

Shearman & Sterling LLP
12th Floor, Gloucester Tower
The Landmark
15 Queen's Road
Central
Hong Kong
Attention: Paul Strecker
Facsimile: +852 2978 8099
Email: Paul.Strecker@Shearman.com

(ii) If to Silver Lake, addressed as follows:

Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, California 94025
Facsimile: (650) 233-8125
Attention: Karen King
Email: Karen.King@SilverLake.com

with a copy to:

Simpson Thacher & Bartlett LLP
3919 China World Tower
1 Jianguomenwai Avenue
Beijing, China 100004
Facsimile: +86 10 5965 2988
Attention: Daniel Fertig
Email: dfertig@stblaw.com

(iii) If to Hillhouse, addressed as follows:

Hillhouse Capital Management, Ltd.
190 Elgin Ave
George Town, Cayman Islands
KY91005
Facsimile: +852 2179 1900
Attention: Adam Hornung
Email: Legal@hillhousecap.com

with a copy to:

Goodwin Procter LLP
One Exchange Square
Suite 2801, 8 Connaught Place
Central, Hong Kong
Facsimile: +852 2801 5515
Attention: Yash A. Rana
Email: yrana@goodwinprocter.com

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder; provided, however, that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Indenture. The Company may not assign (other than by operation of law) its rights or obligations hereunder without the prior written consent of the Holder(s) of at least a majority of the Registrable Securities. The Holders may not assign their rights and obligations hereunder (other than by operation of law); *provided* that a Holder may assign its rights and obligations hereunder to an Affiliate of such Holder. Upon any distribution of the Registrable Securities to the limited partners of a Holder, this Agreement shall inure to the benefit of and be binding upon such limited partners receiving the Registrable Securities.

(e) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile or electronic mail transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such signature delivered by facsimile or electronic mail transmission were the original thereof.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(g) Submission to Jurisdiction. Each of the parties to this Agreement irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any proceeding arising out of or relating to this Agreement, or for the recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(h) Waiver of Venue. Each of the parties to this Agreement irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, (i) any objection that it may now or hereafter have to the laying of venue of any proceeding arising out of or relating to this Agreement in any court referred to in Section 13(g) and (ii) the defense of an inconvenient forum to the maintenance of such proceeding in any such court.

(i) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and supersedes all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter hereof.

(l) Headings; Section References. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless otherwise stated, references to Sections, Schedules and Exhibits are to the Sections, Schedules and Exhibits of this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

COMPANY:

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Yilu Zhao
Name: Yilu Zhao
Title: Chief Financial Officer

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

INVESTORS:

SL CAMEL HOLDCO LIMITED

By: /s/ Kenneth Hao
Name:Kenneth Hao
Title:Director

GAOLING FUND, L.P.

By: /s/ Tracy Ma
Name:Tracy Ma
Title:Managing Director

YHG INVESTMENT, L.P.

By: /s/ Tracy Ma
Name:Tracy Ma
Title:Managing Director

Exhibit 2.7

Execution Version

QUNAR CAYMAN ISLANDS LIMITED

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

INDENTURE

Dated as of June 17, 2015

2% CONVERTIBLE SENIOR NOTES DUE 2021

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QUNAR CAYMAN ISLANDS LIMITED

Reconciliation and tie between Trust Indenture Act of 1939 and
Indenture, dated as of June 17, 2015

§ 310(a)(1)	7.09
(a)(2)	7.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(a)(5)	7.09
(b)	7.09
§ 311(a)	7.10
(b)	7.10
(c)	Not Applicable
§ 312(a)	2.05
(b)	13.02
(c)	13.02
§ 313(a)	7.11
(b)(1)	7.11
(b)(2)	7.11
(c)	7.11
(d)	7.11
§ 314(a)	4.03, 13.01, 13.04
(b)	Not Applicable
(c)(1)	13.03
(c)(2)	13.03
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	13.04
(f)	Not Applicable
§ 315(a)	7.01
(b)	7.05
(c)	7.01
(d)	7.01
(e)	6.11
§ 316(a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	Not Applicable
(b)	6.07
(c)	2.12
§ 317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
§ 318(a)	13.17

Note: This reconciliation and tie shall not, for any purpose, be deemed to be part of the Indenture.

INDENTURE, dated as of June 17, 2015, between Qunar Cayman Islands Limited, an exempted limited liability company incorporated in the Cayman Islands (the "**Company**," as more fully set forth in Section 1.01), and U.S. Bank National Association, a national banking association organized under the laws of the United States, as trustee (the "**Trustee**," as more fully set forth in Section 1.01).

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders (as defined below) of the Company's 2% Convertible Senior Notes due 2021 (the "**Securities**").

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.* The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01.

"**Additional Interest**" means all amounts, if any, payable pursuant to Section 6.02(b), as applicable.

"**ADS**" means an American Depositary Share, issued pursuant to the Deposit Agreement, each representing three Class B Ordinary Shares as of the date of this Indenture and deposited with the ADS Custodian.

"**ADS Custodian**" means Deutsche Bank AG, Hong Kong Branch with respect to the ADSs delivered pursuant to the Deposit Agreement, or any successor entity thereto.

"**ADS Depositary**" means Deutsche Bank Trust Company Americas.

"**Affiliate**" means, with respect to a specified Person, any Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For this purpose, "**control**" shall mean the power to direct the management and policies of a Person through the ownership of securities, by contract or otherwise.

"**Affiliate Securities**" means any Securities acquired or held by any Affiliate of the Company.

"**Bankruptcy Law**" means Title 11, U.S. Code or any similar U.S. Federal or State law for the relief of debtors, or any analogous foreign law applicable to the Company or its Subsidiaries, as the case may be.

"**Board of Directors**" means the board of directors of the Company or any committee thereof authorized to act for it hereunder.

"**Board Resolution**" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York or a bank in Hong Kong or the Cayman Islands (or, in the case of an interest or principal payment on the Securities, a place of payment) is authorized or required by law or executive order to close or be closed.

"**Capital Stock**" of any Person means any and all shares, interests, participations or other equivalents (however designated) of capital stock of such Person and all warrants or options to acquire such capital stock.

"**Change in Control**" shall be deemed to have occurred at such time as:

(a) any "person" or "group" (as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, its Subsidiaries that are at least 90% owned by the Company, the employee benefit plans of the Company and its Subsidiaries that are at least 90% owned by the Company and any shareholder existing on the Issue Date which already is a such a fifty percent (50%) or more "beneficial owner" as described in this clause (a), has become the "beneficial owner" (as that term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the total outstanding voting power of all classes of the Company's Capital Stock entitled to vote generally in the election of directors ("**Voting Stock**"), or of fifty percent (50%) or more of the total outstanding share capital of the Company;

(b) the consummation of (A) any recapitalization, reclassification or change of the Ordinary Shares or the ADSs (other than changes resulting from a subdivision or combination) as a result of which the Ordinary Shares or the ADSs would be converted into, or exchanged for, stock, other securities, or other property or assets; (B) any share exchange, amalgamation, scheme of arrangement, consolidation or merger of the Company or any other transaction pursuant to which the Ordinary Shares or the ADSs will be converted into cash, securities or other assets; or (C) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any "person" or "group" (as those terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than one of the Company's Subsidiaries that is at least 90% owned by the Company; provided, however, that a transaction described in clause (B) in which the holders of all classes of the Company's Common Equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions as such ownership immediately prior to such transaction shall not be a Change in Control pursuant to this clause (b); or

(c) a change in ownership of the Company whereby any current controlling shareholder, or a "group" (as that term is used in Sections 13(d) and 14(d) of the Exchange Act), consisting of more than a single controlling shareholder, attains a level of beneficial ownership of 75% or more of the Company's Voting Stock or outstanding share capital.

Notwithstanding the foregoing, a transaction or transactions described above shall not constitute a "**Change in Control**" if (i) at least ninety percent (90%) of the consideration received or to be received by holders of ADSs or Reference Property into which the Securities have become convertible pursuant to Section 10.11 (other than cash payments for fractional ADSs or pursuant to statutory appraisal rights) in connection with such transaction or transactions consists of common equity listed and traded on The New York Stock Exchange, NYSE MKT LLC, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market (or any of their respective successors) or any other major U.S. national securities exchange (or which will be so listed and traded when issued or exchanged in connection with such consolidation or merger) and (ii) as a result of such transaction or transactions, the Securities become convertible or exchangeable for such consideration pursuant to Section 10.11.

"**Class A Ordinary Shares**" means Class A ordinary shares of the Company, par value US$0.001 per share, at the date of this Indenture, subject to Section 10.11.

"**Class B Ordinary Shares**" means Class B ordinary shares of the Company, par value US$0.001 per share, at the date of this Indenture, subject to Section 10.11.

"**Close of Business**" means 5:00 p.m., New York City time.

"**Closing Sale Price**" on any date means the per ADS price of the ADSs on such date, determined (i) on the basis of the closing per ADS sale price (or if no closing per ADS sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date on the principal U.S. national securities exchange on which the ADSs are listed; or (ii) if the ADSs are not listed on a U.S. national securities exchange, as reported by OTC Markets Group, Inc. or a similar organization; *provided*, *however*, that in the absence of any such report or quotation, the "**Closing Sale Price**" shall be the price determined by a nationally recognized independent investment banking firm retained by the Company for such purpose as most accurately reflecting the per ADS price that a fully informed buyer, acting on his own accord, would pay to a fully informed seller, acting on his own accord in an arms-length transaction, for one ADS. The Closing Sale Price shall be determined without reference to after-hours or extended market trading.

"**Company**" means the party named as such above until a successor replaces it pursuant to the applicable provision hereof and thereafter means the successor. The foregoing sentence shall likewise apply to any such successor or subsequent successor.

"**Company Order**" means a written request or order signed on behalf of the Company by an Officer and delivered to the Trustee.

"**Conversion Date**" with respect to a Security means the date on which a Holder satisfies all the requirements for such conversion specified in the third paragraph of Section 10.02(a).

"**Conversion Notice**" means a "Conversion Notice" in the form attached as Attachment 2 to the Form of Security attached hereto as Exhibit A.

"**Conversion Price**" means as of any date, $1,000 *divided by* the Conversion Rate as of such date.

"**Conversion Rate**" shall initially be 18.1818, subject to adjustment as provided in Article 10.

"**Corporate Trust Office of the Trustee**" means the principal office of the Trustee at which at any time this Indenture shall be administered, which office as of the date hereof is 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: B. Scarbrough (Qunar Cayman Islands Limited 2015 Indenture), or such other address as the Trustee may designate from time to time by written notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by written notice to the Holders and the Company).

"**Custodian**" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"**Daily Conversion Value**" means, for each of the 20 consecutive Trading Days during the Observation Period, one-twentieth of the product of (a) the Conversion Rate on such Trading Day and (b) the Daily VWAP on such Trading Day.

"**Daily Measurement Value**" means the Specified Dollar Amount (if any), *divided* by 20.

"**Daily Settlement Amount**," for each of the 20 consecutive Trading Days during the Observation Period, shall consist of (subject to Section 10.14(g)(i)):

(a) cash in an amount equal to the lesser of (i) the Daily Measurement Value, and (ii) the Daily Conversion Value, on such Trading Day; and

(b) if the Daily Conversion Value on such Trading Day exceeds the Daily Measurement Value, a number of ADSs equal to (i) the difference between the Daily Conversion Value and the Daily Measurement Value, *divided by* (ii) the Daily VWAP for such Trading Day.

"**Daily VWAP**" means, for each of the 20 consecutive Trading Days during the relevant Observation Period, the per ADS volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "QUNR US <Equity> " (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or if such volume-weighted average price is unavailable, the market value of one ADS on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by the Company). The "**Daily VWAP**" shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Depositary**" means The Depository Trust Company, its nominees and successors.

"**Deposit Agreement**" means the deposit agreement dated October 31, 2013, among the Company, the ADS Depositary, and the owners and holders from time to time of the ADSs issued thereunder or, if amended or supplemented as provided therein, as so amended or supplemented.

"**Ex Date**" means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question from the ADS Depository or, if applicable, from the seller of ADSs on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Fundamental Change**" shall be deemed to occur upon the occurrence of

(a) a Change in Control;

(b) a Termination of Trading;

(c) a primary or secondary investment, or a series of related investments, whether direct or indirect, in the Company of an amount greater than 10% of the beneficial ownership (calculated consistent with the definition of Change of Control) of the Company or any of its Subsidiaries by a strategic investor, whose revenues, individually or in aggregate, are generated primarily in PRC, including but not limited to a Person that is in the PRC travel industry; or

(d) the adoption by the Board of Directors or the shareholders of the Company of a plan relating to the Company's liquidation or dissolution.

"**HH**" means collectively, Gaoling Fund, L.P. and YHG Investment, L.P.

"**HH Entities**" means HH and any of its permitted transferees under the Note Purchase Agreement, dated as of June 1, 2015 by and among the Company, Silver Lake and HH.

"**HH Securities**" means any Securities acquired or held by a HH Entity or any of its Affiliates.

"**Holder**" means a Person in whose name a Security is registered on the Registrar's books.

"**Indebtedness**" means with respect to any Person, and without duplication, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) all indebtedness, obligations and other liabilities of such Person for borrowed money (including obligations of such Person in respect of overdrafts, and any loans or advances from banks, whether or not evidenced by notes or similar instruments) or evidenced by bonds, debentures, notes or similar instruments, other than any account payable or other accrued current liability or obligation incurred in the ordinary course of business in connection with the obtaining of materials or services; (ii) all reimbursement obligations and other liabilities of such Person with respect to letters of credit, bank guarantees or bankers' acceptances; (iii) all obligations and liabilities in respect of leases of such Person required, in conformity with generally accepted accounting principles, to be accounted for as capitalized lease obligations on the balance sheet of such Person and all obligations and other liabilities under any lease or related document (including a purchase agreement) in connection with the lease of real property which provides that such Person is contractually obligated to purchase or cause a third party to purchase the leased property and thereby guarantee a minimum residual value of the leased property to the lessor and the obligations of such Person under such lease or related document to purchase or to cause a third party to purchase such leased property; (iv) all net obligations of such Person with respect to an interest rate or other swap, cap or collar agreement or other similar instrument or agreement or foreign currency hedge, exchange, purchase or similar instrument or agreement; (v) all direct or indirect guaranties or similar agreements by such Person in respect of, and obligations or liabilities of such Person to purchase or otherwise acquire or otherwise assure a creditor against loss in respect of, indebtedness, obligations or liabilities of another Person of the kind described in clauses (i) through (iv); (vi) any indebtedness or other obligations described in clauses (i) through (vi) secured by any mortgage, pledge, lien or other encumbrance existing on property which is owned or held by such Person, regardless of whether the indebtedness or other obligation secured thereby shall have been assumed by such Person; and (vii) any and all deferrals, supplements to, any indebtedness, obligation or liability of the kind described in clauses (i) through (vi).

"**Indenture**" means this Indenture as amended or supplemented from time to time.

"**Interest Payment Date**" means June 17 and December 17 of each year, beginning on December 17, 2015, and the Maturity Date.

"**Issue Date**" means June 17, 2015.

"**Make-Whole Fundamental Change**" means an event described in the definition of Fundamental Change set forth above after giving effect to any exceptions to or exclusions from such definition (including, without limitation, the exception described in the paragraph immediately following such clauses), but without regard to the proviso set forth in clause (b) of the definition of "Change in Control".

"**Market Disruption Event**" means, with respect to ADSs or any other security, the occurrence or existence for more than one-half hour period in the aggregate on any Scheduled Trading Day for ADSs or such other security of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) of the ADSs or such other security or in any options, contracts or future contracts relating to the ADSs or such other security, and such suspension or limitation occurs or exists at any time before 1:00 p.m., New York City time, on such day.

"**Maturity Date**" means June 17, 2021.

"**Observation Period**," with respect to any Security surrendered for conversion, means, the 20 consecutive Trading-Day period beginning on, and including, the second Trading Day immediately succeeding the relevant Conversion Date.

"**Officer**" means the Chief Executive Officer or the Chief Financial Officer of the Company.

"**Officer's Certificate**" means a certificate signed by the Chief Executive Officer or the Chief Financial Officer of the Company, delivered to the Trustee.

"**Open of Business**" means 9:00 a.m., New York City time.

"**Opinion of Counsel**" means a written opinion that meets the requirements of Section 13.04 from legal counsel who may be an employee of or counsel for the Company, or other counsel who is reasonably acceptable to the Trustee.

"**Ordinary Shares**" means the ordinary shares of the of the Company, including Class A Ordinary Shares and/or Class B Ordinary Shares as the context requires.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof.

"**record date**" means, unless the context requires otherwise, with respect to any dividend, distribution or other transaction or event in which the holders of Ordinary Shares (or other security) have the right to receive any cash, securities or other property or in which Ordinary Shares (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of shareholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

"**Record Date**" for interest payable in respect of any Security on any Interest Payment Date means the June 2 or December 2 (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date, and June 2, 2021, in respect of the Maturity Date.

"**Repurchase Notice**" means a "Repurchase Notice" in the form attached as Attachment 3 to the form of Security attached hereto as Exhibit A.

"**Responsible Officer**" shall mean, when used with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee who shall have direct responsibility for the administration of this Indenture, and also means with respect to a particular matter, any other officer of the Trustee to whom such corporate trust matter relating to this Indenture is referred because of such Person's knowledge of and familiarity with the particular subject.

"**Restricted Security**" means a Security that constitutes a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act until such time as such Security is freely tradable by a Person who is not (and has not been for the three months preceding the applicable transfer) an "affiliate" (as defined in such rule) pursuant to such rule.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day on The NASDAQ Global Select Market or, if the ADSs are not then listed on The NASDAQ Global Select Market, on the principal other U.S. national securities exchange on which the ADSs are then listed or, if the ADSs are not then listed on a U.S. national securities exchange, on the principal other market on which the ADSs are then traded. If the ADSs are not so listed or admitted for trading, "**Scheduled Trading Day**" means a Business Day.

"**SEC**" means the Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Securities Agent**" means any Registrar, Paying Agent or Conversion Agent.

"**Settlement Method**" means, with respect to any conversion of Securities, Physical Settlement or Combination Settlement, as elected (or deemed to have been elected) by the Company.

"**Significant Subsidiary**" with respect to any Person means any Subsidiary of such Person that constitutes a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X under the Exchange Act.

"**Silver Lake**" means SL Camel Holdco Limited.

"**SLP Entities**" means Silver Lake and any of its permitted transferees under the Note Purchase Agreement, dated as of June 1, 2015 by and between the Company, Silver Lake and HH.

"**SLP Securities**" means any Securities acquired or held by an SLP Entity or any of its Affiliates.

"**Specified Dollar Amount**" means the maximum cash amount per $1,000 principal amount of Securities to be received upon conversion as specified in the Settlement Notice related to any converted Securities.

"**Subsidiary**" means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by the Company, by one or more subsidiaries of the Company or by the Company and one or more of its subsidiaries or (ii) any other Person (other than a corporation) in which the Company, one or more of its subsidiaries, or the Company and one or more of its subsidiaries, directly or indirectly, at the date of determination thereof, own at least a majority ownership interest.

"**Termination of Trading**" shall be deemed to occur if ADSs are not listed for trading on The New York Stock Exchange, NYSE MKT LLC, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market (or any of their respective successors) or any other major U.S. national securities exchange.

"**TIA**" means the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) as amended and in effect from time to time.

"**Trading Day**" means a day on which (i) trading in the ADSs generally occurs on The NASDAQ Stock Market or, if the ADSs are not then listed on The NASDAQ Stock Market, on the principal other U.S. national securities exchange on which the ADSs are then listed or, if the ADSs are not then listed on a U.S. national securities exchange, on the principal other market on which the ADSs are then traded, (ii) there is no Market Disruption Event and (iii) a Closing Sale Price for the ADSs are available on such securities exchange or market; *provided* that if the ADSs (or other security for which a Closing Sale Price must be determined) is not so listed or traded, "**Trading Day**" means a Business Day.

"**Trustee**" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions hereof and thereafter means the successor. The foregoing sentence shall likewise apply to any such successor or subsequent successor.

Section 1.02 *Other Definitions.*

Term	Defined in Section
"**Additional Amounts**"	4.07
"**Applicable Price**"	10.14(c)
"**Cash Settlement Percentage**"	Section 10.14(g)(i)
"**Clause A Distribution**"	10.06(c)
"**Clause B Distribution**"	10.06(c)
"**Clause C Distribution**"	10.06(c)
"**Combination Settlement**"	Section 10.02(a)
"**Conversion Agent**"	2.03
"**Conversion Obligation**"	Section 10.01(a)
"**Distributed Property**"	10.06(c)
"**Effective Date**"	10.14(a)
"**Event of Default**"	6.01
"**Excluded Holder**"	4.07
"**Excluded Taxes**"	4.07
"**FATCA**"	4.07(a)(vi)
"**Fundamental Change Notice**"	3.01(b)
"**Fundamental Change Repurchase Date**"	3.01(a)
"**Fundamental Change Repurchase Price**"	3.01(a)
"**Fundamental Change Repurchase Right**"	3.01(a)
"**Global Security**"	2.01
"**Make-Whole Applicable Increase**"	10.14(a)(i)
"**Make-Whole Conversion Period**"	10.14(a)
"**Merger Event**"	10.11
"**Ordinary Shares Private Placement Legend**"	2.17
"**Participants**"	2.15(a)
"**Paying Agent**"	2.03
"**Physical Security**"	2.01
"**Physical Settlement**"	10.02(a)
"**Reference Per ADS Price**"	Section 10.14(c)
"**Reference Property**"	10.11
"**Registrar**"	2.03
"**Relevant Jurisdiction**"	4.07(a)
"**Repurchase Upon Fundamental Change**"	Section 3.01
"**Resale Restriction Termination Date**"	2.17
"**Securities**"	Preamble
"**Security Private Placement Legend**"	2.17
"**Settlement Amount**"	10.02(a)(i)
"**Settlement Notice**"	Section 10.02(a)(i)
"**SLP/HH Make-Whole Applicable Increase**"	Section 10.14(a)(i)(A)
"**Spin-Off**"	10.06(c)
"**Surviving Person**"	4.07(a)
"**Tax**"	4.07(a)
"**Trigger Event**"	10.06(c)
"**Valuation Period**"	10.06(c)
"**Voting Stock**"	1.01 (Definition of "**Change in Control**")

Section 1.03 *Rules of Construction*. Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. generally accepted accounting principles in effect from time to time;

(iii) "or" is not exclusive;

(iv) "including" means "including without limitation;"

(v) words in the singular include the plural and in the plural include the singular;

(vi) provisions apply to successive events and transactions;

(vii) the term "interest" means any interest payable under the terms of the Securities, including defaulted interest, if any, payable pursuant to Section 2.12, and Additional Interest, if any, payable pursuant to Section 6.02(b), unless the context otherwise requires;

(viii) the term "principal" means the principal of any Security payable under the terms of such Securities, unless the context otherwise requires;

(ix) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision of this Indenture; and

(x) references to currency shall mean the lawful currency of the United States of America, unless the context requires otherwise.

Section 1.04 *Incorporation by Reference of Trust Indenture Act*. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Securities.

"indenture security holder" means a Securityholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company and any successor obligor upon the Securities.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA and not otherwise defined herein are used herein as so defined.

ARTICLE 2
THE SECURITIES

Section 2.01 *Form and Dating*. The Securities and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit A, which is incorporated in and forms a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage; *provided* that such notations, legends or endorsements are in a form reasonably acceptable to the Company and provided in writing to the Trustee. Each Security shall be dated the date of its authentication.

All Affiliate Securities, all SLP Securities and all HH Securities shall be issued in the form of permanent certificated Securities in registered form in substantially the form set forth in Exhibit A (each, a "**Physical Security**") and, if applicable, bearing any legends required by Section 2.17. Physical Securities may be issued in exchange for interests in a Global Security solely pursuant to Section 2.15.

So long as the Securities (excluding Affiliate Securities, SLP Securities and HH Securities (except as permitted under Section 2.06 and Section 2.17)), or portion thereof, are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to Section 2.15, such Securities may be represented by one or more Securities in global form registered in the name of the Depositary or the nominee of the Depositary ("**Global Securities**"). The transfer and exchange of beneficial interests in any such Global Securities shall be effected through the Depositary in accordance with this Indenture and the applicable procedures of the Depositary. Except as provided in Section 2.15, beneficial owners of a Global Security shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered Holders of such Global Security.

Any Global Securities shall represent such of the outstanding Securities as shall be specified therein and shall provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be increased or reduced to reflect issuances, repurchases, redemptions, conversions, transfers or exchanges permitted hereby. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Securities represented thereby shall be made by the Trustee or the custodian for the Global Security, at the written direction of the Trustee, in such manner and upon instructions given by the Holder of such Securities in accordance with this Indenture. Payment of principal of, and interest on, any Global Securities (including the Fundamental Change Repurchase Price, if applicable) shall be made to the Depositary in immediately available funds.

Section 2.02 *Execution and Authentication*. One duly authorized Officer shall sign the Securities for the Company by manual or facsimile signature.

A Security's validity shall not be affected by the failure of an Officer whose signature is on such Security to hold, at the time the Security is authenticated, the same office at the Company.

A Security shall not be valid until duly authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

Upon a Company Order, the Trustee shall authenticate Securities for original issue in the aggregate principal amount of $500,000,000. The aggregate principal amount of Securities outstanding at any time may not exceed $500,000,000, subject to the immediately succeeding paragraph and except for Securities authenticated and delivered in lieu of lost, destroyed or wrongfully taken Securities pursuant to Section 2.07.

The Company may not, with or without the consent of Holders of the Securities, increase the aggregate principal amount of Securities by issuing additional Securities in the future.

Upon a Company Order, the Trustee shall authenticate Securities, including Securities not bearing the Security Private Placement Legend, to be issued to the transferees when sold pursuant to an effective registration statement under the Securities Act as set forth in Section 2.16(b) or when not otherwise required under this Indenture to bear the Security Private Placement Legend.

The Trustee shall act as the initial authenticating agent. Thereafter, the Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities. An authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such authenticating agent. An authenticating agent so appointed has the same rights as a Securities Agent to deal with the Company and its Affiliates.

If a Company Order pursuant to this Section 2.02 has been, or simultaneously is, delivered, then any instructions by the Company to the Trustee with respect to endorsement, delivery or redelivery of a Security that is a Global Security shall be in writing but need not comply with Section 13.03 and need not be accompanied by an Opinion of Counsel.

The Securities shall be issuable only in registered form without interest coupons and only in minimum denominations of $1,000 principal amount and any integral multiple of $1,000 in excess thereof.

Section 2.03 *Registrar, Paying Agent and Conversion Agent.* The Company shall maintain, or shall cause to be maintained, (i) an office or agency where Securities may be presented for registration of transfer or for exchange ("**Registrar**"), (ii) an office or agency where Securities may be presented for payment ("**Paying Agent**") and (iii) an office or agency where Securities may be presented for conversion ("**Conversion Agent**"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may appoint or change one or more co-registrars, one or more additional paying agents and one or more additional conversion agents, subject to providing written notification to the Trustee of any such new registrar, paying agent or conversion agent, and may act in any such capacity on its own behalf. The term "**Registrar**" includes any co-registrar; the term "**Paying Agent**" includes any additional paying agent; and the term "**Conversion Agent**" includes any additional conversion agent.

The Company shall enter into an appropriate agency agreement with any Securities Agent not a party to this Indenture. Such agency agreement shall implement the provisions of this Indenture that relate to such Securities Agent. The Company shall notify the Trustee in writing of the name and address of any Securities Agent not a party to this Indenture. If the Company fails to maintain a Registrar, Paying Agent or Conversion Agent, the Trustee shall act as such. In each such case, the Trustee will be entitled to compensation for such action pursuant to Section 7.06 hereof.

The Company initially appoints the Trustee as Paying Agent, Registrar and Conversion Agent.

Section 2.04 *Paying Agent to Hold Money in Trust*. Each Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all moneys held by the Paying Agent for the payment of the Securities, and shall notify the Trustee in writing of any Default by the Company in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds so paid by it. Upon payment over to the Trustee, the Paying Agent shall have no further liability for such money. If the Company acts as Paying Agent, it shall segregate and hold as a separate trust fund all money held by it as Paying Agent; *provided* that the Company may not act as Paying Agent upon the occurrence and continuance of an Event of Default; and *provided, further,* that upon the occurrence of any Event of Default under Section 6.01(i) or Section 6.01(j), the Trustee shall be the Paying Agent.

Section 2.05 *Holder Lists*. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with Section 312(a) of the TIA. If the Trustee is not the Registrar, the Company shall furnish, or shall cause to be furnished, to the Trustee before each Interest Payment Date and at such other times as the Trustee may request in writing a list, in such form and as of such date as the Trustee may reasonably require, of the names and addresses of Holders appearing in the security register of the Registrar and the Company shall otherwise comply with Section 312(a) of the TIA.

Section 2.06 *Transfer and Exchange.* Subject Section 2.15 and Section 2.16 hereof, where Securities are presented to the Registrar with a request to register their transfer or to exchange them for an equal principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange if the Registrar's requirements under this Indenture for such transaction are met. To permit registrations of transfer and exchanges, the Trustee shall authenticate Securities at the Registrar's request or upon the Trustee's receipt of a Company Order therefor. The Company, the Registrar or the Trustee, as the case may be, shall not be required to register the transfer of or exchange any Security for which a Repurchase Notice has been delivered, and not withdrawn, in accordance with this Indenture, except if the Company has defaulted in the payment of the Fundamental Change Repurchase Price with respect to such Security or to the extent that a portion of such Security is not subject to such Repurchase Notice.

No service charge shall be made for any transfer, exchange or conversion of Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of Securities, other than exchanges pursuant to Section 2.07, Section 2.10, Section 3.01, Section 9.04 or Section 10.02, in each case, not involving any transfer.

If a Holder of a Physical Security wishes at any time to transfer such Physical Security (or portion thereof) to a Person who is not an Affiliate or an SLP Entity or an HH Entity (that is required to take delivery thereof in the form of a Physical Security) or wishes to exchange its Physical Security for a Global Security after the Resale Restriction Termination Date, such Holder shall, subject to the restrictions on transfer imposed by applicable securities laws, the procedures set forth herein and in such Physical Security and the rules of the Depositary, and so long as the Securities are eligible for book-entry settlement with the Depositary, cause the exchange of such Physical Security for a beneficial interest in a Global Security. Upon receipt by the Registrar of (1) such Physical Security, duly endorsed as provided herein, (2) instructions from such Holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary by the same aggregate principal amount as the Physical Security to be exchanged, such instructions to contain the name or names of a member of, or participant in, the Depositary that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) in the case of a transfer, the assignment form on the back of the Physical Security completed in full, and (4) in the case of a transfer of Restricted Securities, an Affiliate Security, an SLP Security or a HH Security, such certifications or other information and/or legal opinions (which shall be required in the case of transfers of any Affiliate Security, SLP Security or HH Entity by any Affiliated Entity, SLP Entity or HH Entity, as applicable, pursuant to Rule 144 under the Securities Act), as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act (or in the case of an exchange, the date of the Resale Restriction Termination Date shall be on or prior to the date of such exchange), then the Trustee shall cancel or cause to be canceled such Physical Security and concurrently therewith shall cause, or direct the Registrar to cause, in accordance with the applicable procedures of the Depositary, an increase to the aggregate principal amount of the Global Security or issue a new Global Security by the same aggregate principal amount as the Physical Security canceled; *provided*, that in the case of any transfer of an Affiliate Security, an SLP Security or a HH Security to a Person taking delivery thereof as a beneficial interest in a Global Security, any such transfer shall be made only pursuant either (i) in a transaction complying with Rule 144, (ii) pursuant to an effective registration statement, such effectiveness to be certified by the Company to the Trustee, or (iii) to Persons who agree to be bound by the restrictions applicable to such Holders for so long as such transferred securities constitutes "restricted securities."

Section 2.07 *Replacement Securities.* If the Holder of a Security claims that the Security has been mutilated, lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate, at the Holder's expense, a replacement Security upon surrender to the Trustee of the mutilated Security, or upon delivery to the Trustee of evidence of the loss, destruction or theft of the Security satisfactory to the Trustee and the Company. In the case of a lost, destroyed or wrongfully taken Security, if required by the Trustee or the Company, indemnity (including in the form of a bond) must be provided by the Holder that is reasonably satisfactory to the Trustee and the Company to indemnify and hold harmless the Company, the Trustee or any Securities Agent from any loss that any of them may suffer if such Security is replaced.

In case any such mutilated, lost, destroyed or wrongfully taken Security has become due and payable, the Company in its discretion may, instead of issuing a new Security, pay the amounts due in respect of such Security as provided hereunder.

Every replacement Security is an additional obligation of the Company only as provided in Section 2.08.

Section 2.08 *Outstanding Securities.* Securities outstanding at any time are all the Securities authenticated by the Trustee except for those converted, those cancelled by it, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. Except to the extent provided in Section 2.09, a Security does not cease to be outstanding because the Company or one of its Subsidiaries or Affiliates holds the Security.

If a Security is replaced pursuant to Section 2.07, it ceases to be outstanding unless a court holds that the replaced Security is held by a protected purchaser.

If the Paying Agent (in the case of a Paying Agent other than the Company) holds as of 11:00 a.m. New York City time on a Fundamental Change Repurchase Date or the Maturity Date, money sufficient to pay the aggregate Fundamental Change Repurchase Price or principal amount (plus accrued and unpaid interest, if any), as the case may be, with respect to all Securities to be repurchased or paid on such Fundamental Change Repurchase Date or the Maturity Date, as the case may be, in each case, payable as herein provided on such Fundamental Change Repurchase or the Maturity Date, then (unless there shall be a Default in the payment of such aggregate Fundamental Change Repurchase Price, principal amount, or of such accrued and unpaid interest), except as otherwise provided herein, on and after such date such Securities shall be deemed to be no longer outstanding, interest on such Securities shall cease to accrue, and such Securities shall be deemed to be paid whether or not such Securities are delivered to the Paying Agent. Thereafter, all rights of the Holders of such Securities shall terminate with respect to such Securities, other than the right to receive the Fundamental Change Repurchase Price, principal amount, as the case may be, plus, if applicable, such accrued and unpaid interest in accordance with this Indenture.

If a Security is converted in accordance with Article 10 then, from and after the time of such conversion on the Conversion Date, such Security shall cease to be outstanding, and interest, if any, shall cease to accrue on such Security unless there shall be a Default in the payment or delivery of the consideration payable and/or deliverable hereunder upon such conversion (except that any such Security will remain outstanding for the purpose of receiving any interest or other amounts due following such conversion as set forth in this Indenture).

Section 2.09 *Securities Held by the Company or an Affiliate.* In determining whether the Holders of the required aggregate principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or any of its Subsidiaries or Affiliates shall be considered as though not outstanding, except that, for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be considered to be outstanding for purposes of this Section 2.09 if the pledgee establishes, to the satisfaction of the Trustee, the pledgee's right so to concur with respect to such Securities and that the pledgee is not, and is not acting at the direction or on behalf of, the Company, any other obligor on the Securities, an Affiliate of the Company or an Affiliate of any such other obligor. In case of a dispute as to whether the pledgee has established the foregoing, any decision by the Trustee taken upon the advice of counsel shall provide full protection to the Trustee. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officer's Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of any of the above described Persons; and, subject to Section 7.01 and Section 7.02, the Trustee shall be entitled to accept such Officer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are outstanding for the purpose of any such determination. Notwithstanding anything herein to the contrary, no SLP Securities or HH Securities shall be deemed to be owned by the Company or any of its Subsidiaries or Affiliates for purposes of this Indenture.

Section 2.10 *Temporary Securities.* Until definitive Securities are ready for delivery, the Company may prepare and the Trustee shall, upon receipt of a Company Order therefor, authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee, upon receipt of a Company Order therefor, shall authenticate definitive Securities in exchange for temporary Securities. Until so exchanged, each temporary Security shall in all respects be entitled to the same benefits under this Indenture as definitive Securities, and such temporary Security shall be exchangeable for definitive Securities in accordance with the terms of this Indenture.

Section 2.11 *Cancellation.* The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar, Paying Agent and Conversion Agent shall forward to the Trustee any Securities surrendered to them for transfer, exchange, payment or conversion. The Trustee shall promptly cancel all Securities surrendered for transfer, exchange, payment, conversion or cancellation in accordance with its customary procedures. The Company may not issue new Securities to replace Securities that it has paid or delivered to the Trustee for cancellation or that any Holder has converted pursuant to Article 10. All cancelled Securities held by the Trustee shall be disposed of in accordance with its customary procedure for the disposal of cancelled securities, and certification of such disposal shall be delivered by the Trustee to the Company upon the Company's written request.

Section 2.12 *Defaulted Interest.* If, and to the extent, the Company defaults in a payment of interest on the Securities, the Company shall pay in cash the defaulted interest in any lawful manner plus, to the extent not prohibited by applicable statute or case law, interest on such defaulted interest at the rate provided in the Securities. The Company may pay the defaulted interest (plus interest on such defaulted interest) to the Persons who are Holders on a subsequent special record date. The Company shall fix such special record date and payment date. At least fifteen (15) calendar days before the special record date, the Company shall mail, or in the case of Global Securities, send (or caused to be sent) electronically in accordance with the applicable procedures of the Depositary, to Holders (with a copy to the Trustee) a notice that states the special record date, payment date and amount of interest to be paid. Upon the due payment in full, interest shall no longer accrue on such defaulted interest pursuant to this Section 2.12.

Section 2.13 *CUSIP Numbers.* The Company in issuing any Global Security may use one or more "CUSIP" numbers to identify such Global Securities, and, if so, the Trustee shall use the CUSIP numbers in notices as a convenience to Holders; *provided*, *however*, that no representation is hereby deemed to be made by the Trustee as to the correctness or accuracy of the CUSIP numbers printed on the notice or on the Global Securities; and *provided further* that reliance may be placed only on the other identification numbers printed on the Securities, and the effectiveness of any such notice shall not be affected by any defect in, or omission of, such CUSIP numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

Section 2.14 *Deposit of Moneys.* Prior to 11:00 a.m., New York City time, on each Interest Payment Date, the Maturity Date or any Fundamental Change Repurchase Date, the Company shall deposit with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in funds immediately available on such date, sufficient to make cash payments, if any, due on such Interest Payment Date, the Maturity Date or such Fundamental Change Repurchase Date, as the case may be, in a timely manner which permits the Paying Agent to remit payment to the Holders on such Interest Payment Date, the Maturity Date or such Fundamental Change Repurchase Date, as the case may be.

If any Interest Payment Date, the Maturity Date or any Fundamental Change Repurchase Date falls on a date that is not a Business Day, the payment due on such Interest Payment Date, the Maturity Date or such Fundamental Change Repurchase Date, as the case may be, shall be postponed until the next succeeding Business Day, and no interest or other amount shall accrue as a result of such postponement.

Section 2.15 *Book-Entry Provisions for Global Securities.* (a) Global Securities, if issued, initially shall (i) be registered in the name of the Depositary, its successors or their respective nominees, (ii) be delivered to the Trustee as custodian for the Depositary, its successors or their respective nominees, as the case may be, and (iii) bear the legends such Global Securities are required to bear under Section 2.17.

Members of, or participants in, the Depositary ("**Participants**") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under the Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(b) Transfers of Global Securities shall be limited to transfers in whole, but not in part, to the Depositary, its successors or their respective nominees. In addition, one or more Physical Securities shall be transferred to each owner of a beneficial interest in a Global Security, as identified by the Depositary, in exchange for its beneficial interest in the Global Securities if (i) the Depositary notifies the Company that the Depositary is unwilling or unable to continue as depositary for any Global Security, or the Depositary ceases to be a "clearing agency" registered under Section 17A of the Exchange Act, and, in either case, a successor Depositary is not appointed by the Company within ninety (90) days of such notice or cessation or (ii) an Event of Default has occurred and is continuing and the Registrar has received a written request from the beneficial owner of the relevant Securities to issue Physical Securities. For the avoidance of doubt, if any event described in clause (i) of the immediately preceding sentence occurs, any owner of a beneficial interest in any Global Security will be entitled to receive one or more Physical Securities in exchange for its beneficial interest or interests in the Global Securities, and if any event described in clause (ii) of the immediately preceding sentence occurs, only the beneficial owner that has made a written request to the Registrar will be entitled to receive one or more Physical Securities in exchange for its beneficial interest or interests in the Global Securities. The Company may also exchange beneficial interests in a Global Security for one or more Physical Securities registered in the name of the owner of beneficial interests if the Company and the owner of such beneficial interests agree to so exchange.

(c) In connection with the transfer of a Global Security in its entirety to beneficial owners pursuant to Section 2.15(b), such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall upon written instructions from the Company authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in such Global Security, an equal aggregate principal amount of Physical Securities of authorized denominations.

(d) Any Physical Security delivered in exchange for an interest in a Global Security pursuant to Section 2.15(b), shall, except as otherwise provided by Section 2.16, bear the Security Private Placement Legend.

(e) The Holder of any Global Security may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(f) Neither the Trustee nor any Securities Agent shall have any obligation or duty to monitor, determine or inquire as to compliance with any restrictions on the transfer of any interest in any Securities imposed under this Indenture or under applicable law (including any transfers between or among Participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(g) Neither the Trustee nor any Securities Agent shall have any responsibility for any actions taken or not taken by the Depositary.

Section 2.16 *Special Transfer Provisions.* (a) Notwithstanding any other provisions of this Indenture, but except as provided in Section 2.15(b), a Global Security, if issued, may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(b) Upon the transfer, exchange or replacement of Securities not bearing the Security Private Placement Legend, unless the Company notifies the Trustee otherwise, the Trustee shall deliver Securities that do not bear the Security Private Placement Legend. Upon the transfer, exchange or replacement of Securities bearing the Security Private Placement Legend, the Trustee shall deliver only Securities that bear the Security Private Placement Legend unless (i) the requested transfer, exchange or replacement is after the Resale Restriction Termination Date, (ii) there is delivered to the Registrar and the Company an opinion of counsel reasonably satisfactory to the Company and addressed to the Company and the Registrar to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (iii) such Security has been sold pursuant to an effective registration statement under the Securities Act and the Holder selling such Securities has delivered to the Registrar a notice in the form of Exhibit C hereto. Upon any transfer or exchange of a beneficial interest in the Securities in connection with which the Security Private Placement Legend will be removed in accordance with this Indenture (including, without limitation, an exchange of a Global Security in whole in accordance with the applicable procedures), the Trustee shall increase the principal amount of the Global Security that does not constitute a Restricted Security by the principal amount of such transfer or exchange and likewise reduce the principal amount of the Global Security that does constitute a Restricted Security.

(c) By its acceptance of any Security or any Ordinary Shares bearing the Security Private Placement Legend or the Ordinary Shares Private Placement Legend, each holder thereof acknowledges the restrictions on transfer of such security set forth in this Indenture and in the Security Private Placement Legend or Ordinary Shares Private Placement Legend, as applicable, and agrees that it will transfer such security only as provided in this Indenture and as permitted by applicable law.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.15 or this Section 2.16. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

(d) Any Securities that are purchased or owned by the Company or any Affiliate thereof may not be resold by the Company or such Affiliate unless registered under the Securities Act or resold pursuant to an exemption from the registration requirements of the Securities Act in a transaction that results in such Securities no longer being Restricted Securities.

(e) The Company may, to the extent permitted by law, purchase the Securities in the open market or by tender offer at any price or by private agreement without giving prior notice to Holders. The Company may, at its option and to the extent permitted by law, reissue, resell or surrender to the Trustee for cancellation any Securities the Company purchases in this manner, in the case of a re-issuance or resale, so long as such Securities do not constitute Restricted Securities upon such re-issuance or resale. Securities surrendered to the Trustee for cancellation may not be reissued or resold and shall be promptly cancelled pursuant to Section 2.11.

Section 2.17 *Restrictive Legends.*

(a) Each Global Security and Physical Security that constitutes a Restricted Security shall bear the legend (the "**Security Private Placement Legend**") as set forth in Exhibit B-1A on the face thereof until the date such Securities no longer constitute Restricted Securities as reasonably determined by the Company in good faith (such date, the "**Resale Restriction Termination Date**").

No transfer of any Security prior to the Resale Restriction Termination Date will be registered by the Registrar unless the applicable box on the Form of Assignment has been checked.

Any Security (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Security for exchange to the Trustee in accordance with the provisions of this Article 2, be exchanged for a new Security or Securities, of like tenor and aggregate principal amount, which shall not bear the restrictive legend required by this Section 2.17(a) and shall not be assigned a restricted CUSIP number. In addition, on or after the Resale Restriction Termination Date, upon the request of any Holder and upon surrender of its Security for exchange, the Company shall exchange a Physical Security with the foregoing restricted legends for a Physical Security without such restricted legend so long as the Holder covenants to the Company that it will offer, sell, pledge or otherwise transfer such Security in compliance with the Securities Act. The Company shall be entitled to instruct the Trustee by Company Order to cancel any Global Security, in accordance with the applicable procedures of the Depositary, as to which such restrictions on transfer shall have expired in accordance with their terms for exchange, and, upon such Company Order, the Trustee shall provide evidence of cancellation of such Global Security for exchange; and any new Global Security so exchanged therefor shall not bear the restrictive legend specified in this Section 2.17(a) and shall not be assigned a restricted CUSIP number. The Company shall promptly notify the Trustee in writing upon the occurrence of the Resale Restriction Termination Date and promptly after a registration statement, if any, with respect to the Securities or any ADSs (including any Class B Ordinary Shares represented thereby) issued upon conversion of the Securities has been declared effective under the Securities Act.

(b) Until the Resale Restriction Termination Date, any stock certificate representing ADSs (including any Class B Ordinary Shares represented thereby) issued upon conversion of such Security, if any, shall, if such shares constitute Restricted Securities at their time of issuance, bear the legend (the "**Ordinary Shares Private Placement Legend**") as set forth in Exhibit B-1B unless such Securities have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or sold pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company in writing.

Any such ADSs as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of the certificates representing such ADSs (for exchange in accordance with the procedures of the transfer agent for the ADSs, be exchanged for a new certificate or certificates for a like aggregate number of ADSs, which shall not bear the restrictive legend required by this Section 2.17(b).

(c) Each Global Security shall also bear the legend as set forth in Exhibit B-2.

ARTICLE 3
REPURCHASE

Section 3.01 *Repurchase at Option of Holder Upon a Fundamental Change.* (a) If a Fundamental Change (other than a Fundamental Change described in clause (c) of the definition of "Fundamental Change" that is not otherwise a Fundamental Change described in clause (a), (b) or (d) of such definition) occurs, each Holder of Securities shall have the right (the "**Fundamental Change Repurchase Right**"), at such Holder's option, to require the Company to repurchase (a "**Repurchase Upon Fundamental Change**") all of such Holder's Securities (or portions thereof that are integral multiples of $1,000 in principal amount), on a date selected by the Company (the "**Fundamental Change Repurchase Date**"), which shall be no later than thirty five (35) Business Days, and no earlier than twenty (20) Business Days (or as such period may be extended pursuant to Section 3.01(j)), after the date the Fundamental Change Notice is sent in accordance with Section 3.01(b), at a price, payable in cash, equal to one hundred percent (100%) of the principal amount of the Securities (or portions thereof) to be so repurchased, plus accrued and unpaid interest, if any, to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"), upon:

(i) delivery by such Holder to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice, no later than the Close of Business on the Business Day immediately preceding the Fundamental Change Repurchase Date, of a Repurchase Notice, in the form set forth in the Securities or any other form of written notice substantially similar thereto, in each case, duly completed and signed, with appropriate signature guarantee, stating:

(A) the certificate number(s) of the Securities that the Holder will deliver to be repurchased, if such Securities are Physical Securities;

(B) the principal amount of Securities to be repurchased, which must be $1,000 or an integral multiple of $1,000 in excess thereof; and

(C) that such principal amount of Securities are to be repurchased pursuant to the terms and conditions specified in this Section 3.01; and

(ii) delivery to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice, at any time after the delivery of such Repurchase Notice, of such Securities (together with all necessary endorsements) with respect to which the Fundamental Change Repurchase Right is being exercised;

provided, *however*, that if such Fundamental Change Repurchase Date is after a Record Date for the payment of an installment of interest and on or before the related Interest Payment Date, then the full amount of accrued and unpaid interest, if any, to, but excluding, such Interest Payment Date shall be paid on such Interest Payment Date to the Holder of record of such Securities at the Close of Business on such Record Date (without any surrender of such Securities by such Holder), and the Fundamental Change Repurchase Price shall not include any accrued but unpaid interest; *provided further*, that if the Fundamental Change Repurchase Date occurs after a Record Date and on or prior to the corresponding Interest Payment Date, the interest payable in respect of such Interest Payment Date shall be payable to the Holders of record at the Close of Business on the corresponding Record Date, and the Fundamental Change Repurchase Price payable to the Holder who presents the Security for redemption shall be 100% of the principal amount of such Security.

If such Securities are held in book-entry form through the Depositary, the delivery of any Securities, Repurchase Notice, Fundamental Change Notice or notice of withdrawal pursuant to the second immediately succeeding paragraph shall comply with applicable procedures of the Depositary.

Upon such delivery of Securities to the Company (if it is acting as its own Paying Agent) or such Paying Agent, such Holder shall be entitled to receive, upon request, from the Company or such Paying Agent, as the case may be, a nontransferable receipt of deposit evidencing such delivery.

Notwithstanding anything herein to the contrary, any Holder that has delivered the Repurchase Notice contemplated by this Section 3.01(a) to the Company (if it is acting as its own Paying Agent) or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice shall have the right to withdraw such Repurchase Notice by delivery, at any time prior to the Close of Business on the Business Day immediately preceding the Fundamental Change Repurchase Date (or, if there shall be a Default in the payment of the Fundamental Change Repurchase, at any time during which such Default is continuing), of a written notice of withdrawal to the Company (if acting as its own Paying Agent) or the Paying Agent, which notice shall be delivered in accordance with, and contain the information specified in, Section 3.01(b)(ix).

The Paying Agent shall promptly notify the Company of the receipt by it of any Repurchase Notice or written notice of withdrawal thereof.

(b) Within 15 days after the occurrence of a Fundamental Change, the Company shall deliver, or cause to be delivered (in the case of Global Securities in accordance with the applicable procedures of the Depositary), to all Holders of the Securities at their addresses shown in the register of the Registrar, and to beneficial owners as required by applicable law, a notice (the "**Fundamental Change Notice**") of the occurrence of such Fundamental Change and the Fundamental Change Repurchase Right arising as a result thereof. The Company shall deliver a copy of the Fundamental Change Notice to the Trustee, the Conversion Agent and the Paying Agent at the time such notices are delivered to the Holders. Each Fundamental Change Notice shall state:

(i) the events causing the Fundamental Change;

(ii) the date of the Fundamental Change;

(iii) the Fundamental Change Repurchase Date;

(iv) the Fundamental Change Repurchase Price;

(v) the names and addresses of the Paying Agent and the Conversion Agent;

(vi) the procedures that a Holder must follow to exercise the Fundamental Change Repurchase Right;

(vii) that the Fundamental Change Repurchase Price for any Security as to which a Repurchase Notice has been given and not withdrawn will be paid no later than the later of such Fundamental Change Repurchase Date and the time of book-entry transfer or delivery of the Security (together with all necessary endorsements);

(viii) that, except as otherwise provided herein with respect to a Fundamental Change Repurchase Date that is after a Record Date for the payment of an installment of interest and on or before the related Interest Payment Date, on and after such Fundamental Change Repurchase Date (unless there shall be a Default in the payment of the Fundamental Change Repurchase Price), interest on Securities subject to Repurchase Upon Fundamental Change will cease to accrue, and all rights of the Holders of such Securities shall terminate, other than the right to receive, in accordance herewith, the Fundamental Change Repurchase Price;

(ix) that a Holder will be entitled to withdraw its election in the Repurchase Notice prior to the Close of Business on the Business Day immediately preceding the Fundamental Change Repurchase Date, or such longer period as may be required by law, by means of a letter or telegram, telex or facsimile transmission (receipt of which is confirmed and promptly followed by a letter) setting forth the name of such Holder, a statement that such Holder is withdrawing its election to have Securities purchased by the Company on such Fundamental Change Repurchase Date pursuant to a Repurchase Upon Fundamental Change, the certificate number(s) of such Securities to be so withdrawn, if such Securities are Physical Securities, the principal amount of the Securities of such Holder to be so withdrawn, which amount must be $1,000 or an integral multiple thereof and the principal amount, if any, of the Securities of such Holder that remain subject to the Repurchase Notice delivered by such Holder in accordance with this Section 3.01, which amount must be $1,000 or an integral multiple of $1,000 in excess thereof; *provided*, *however*, that if there shall be a Default in the payment of the Fundamental Change Repurchase Price, a Holder shall be entitled to withdraw its election in the Repurchase Notice at any time during which such Default is continuing;

(x) the Conversion Rate and any adjustments to the Conversion Rate that will result from such Fundamental Change;

(xi) that Securities with respect to which a Repurchase Notice is given by a Holder may be converted pursuant to Article 10 only if such Repurchase Notice has been withdrawn in accordance with this Section 3.01 or the Company defaults in the payment of the Fundamental Change Repurchase Price; and

(xii) the CUSIP number or numbers, as the case may be, of the Securities.

At the Company's written request, provided at least three (3) Business Days prior to the date such Fundamental Change Notice is to be sent to the Holders to the Trustee, the Trustee shall send such Fundamental Change Notice in the Company's name and at the Company's expense; *provided*, *however*, that the form and content of such Fundamental Change Notice shall be prepared by the Company and delivered simultaneously with its request.

No failure of the Company to give a Fundamental Change Notice shall limit any Holder's right pursuant hereto to exercise a Fundamental Change Repurchase Right.

(c) Subject to the provisions of this Section 3.01, the Company shall pay, or cause to be paid, the Fundamental Change Repurchase Price with respect to each Security as to which the Fundamental Change Repurchase Right shall have been exercised to the Holder thereof no later than the later of the Fundamental Change Repurchase Date and the time of book-entry transfer or when such Security is surrendered to the Paying Agent together with any necessary endorsements; *provided, however*, that if such Fundamental Change Repurchase Date is after a Record Date for the payment of an installment of interest and on or before the related Interest Payment Date, then the accrued and unpaid interest, if any, to, but excluding, such Interest Payment Date will be paid on such Interest Payment Date to the Holder of record of such Security at the Close of Business on such Record Date and the Fundamental Change Repurchase Price shall not include any accrued and unpaid interest.

(d) The Company shall, in accordance with Section 2.14, deposit with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in funds immediately available on the Fundamental Change Repurchase Date, sufficient to pay the Fundamental Change Repurchase Price upon Repurchase Upon Fundamental Change for all of the Securities that are to be repurchased by the Company on such Fundamental Change Repurchase Date pursuant to a Repurchase Upon Fundamental Change and (i) such Securities shall cease to be outstanding, (ii) interest shall cease to accrue on such Securities (whether or not book-entry transfer of the Securities has been made or the Securities have been delivered to the Trustee or Paying Agent) and (iii) all other rights of the Holders of such Securities will terminate (other than (x) the right to receive the Fundamental Change Repurchase Price) or (y) if the Fundamental Change Repurchase Date falls after a Regular Record Date but on or prior to the related Interest Payment Date, the right of the Holder on such Regular Record Date to receive the related interest payment). The Paying Agent shall promptly return to the Company any money not required for that purpose.

(e) Securities with respect to which a Repurchase Notice has been duly delivered in accordance with this Section 3.01 may be converted pursuant to Article 10 only if such Securities are not subject to a Repurchase Notice, such Repurchase Notice has been withdrawn in accordance with this Section 3.01 or the Company defaults in the payment of the Fundamental Change Repurchase Price.

(f) If any Security shall not be paid upon book-entry transfer or surrender thereof for Repurchase Upon Fundamental Change, the principal of, and accrued and unpaid interest on, such Security shall, until paid, bear interest, payable in cash, at the rate borne by such Security on the principal amount of such Security, and such Security shall be convertible pursuant to Article 10 if any Repurchase Notice with respect to such Security is withdrawn pursuant to this Section 3.01.

(g) Any Security that is to be submitted for Repurchase Upon Fundamental Change only in part shall be delivered pursuant to this Section 3.01 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company duly executed by, the Holder thereof or its attorney duly authorized in writing, with a medallion guarantee), and the Company shall promptly execute, and the Trustee shall promptly authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, of the same tenor and in aggregate principal amount equal to the portion of such Security not duly submitted for Repurchase Upon Fundamental Change.

(h) A Fundamental Change Purchase Notice may be withdrawn (in whole or in part) by means of a written notice of withdrawal received by the Paying Agent in accordance with this Section 3.01 at any time prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, specifying: (a) the principal amount of the Securities with respect to which such notice of withdrawal is being submitted, (b) if Physical Securities have been issued, the certificate number of the Security in respect of which such notice of withdrawal is being submitted, and (c) the principal amount, if any, of such Security that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in principal amounts of $1,000 or an integral multiple of $1,000 in excess thereof; provided, however, that if the Securities are Global Securities, the withdrawal notice must comply with appropriate procedures of the Depositary;

(i) Notwithstanding anything herein to the contrary, except in the case of an acceleration resulting from a Default relating to the payment of the Fundamental Change Repurchase Price, there shall be no purchase of any Securities pursuant to this Section 3.01 on any date if, on such date, the principal amount of the Securities shall have been accelerated in accordance with this Indenture and such acceleration shall not have been rescinded on or prior to such date in accordance with this Indenture. The Paying Agent will promptly return to the respective Holders thereof any Securities held by it during the continuance of such an acceleration.

(j) In connection with any Repurchase Upon Fundamental Change, the Company shall, to the extent applicable (i) comply with the provisions of Rule 13e-4 and Regulation 14E under the Exchange Act, and with all other applicable laws; (ii) file a Schedule TO or any other schedules required under the Exchange Act or any other applicable laws; and (iii) otherwise comply with all applicable United States federal and state securities laws in connection with any offer by the Company to purchase the Securities; *provided* that any time period specified in this Article 3 shall be extended to the extent necessary for such compliance.

Section 3.02 *Optional Redemption for Certain Changes in Tax Law.* (a) If the Company has, or on the next interest payment date would, become obligated to pay to the Holder of any Security Additional Amounts as a result of any change or amendment from the date hereof in the laws of any Relevant Jurisdiction (or any regulations or rulings promulgated thereunder), or any change in the official interpretation or official application thereof (a "Change in Tax Law"), the Company may, at its option, redeem all, but not part of the Securities at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, including Additional Interest , if any, to, but excluding, the redemption date, including, for the avoidance of doubt, any Additional Amounts with respect to such redemption price; provided that the Company may only redeem the Securities if (x) the Company cannot avoid these obligations by taking commercially reasonable measures available to it and (y) the Company delivers to the trustee an opinion of outside legal counsel of recognized standing in the Relevant Jurisdiction attesting to such Change in Tax Law and its obligation to pay additional amounts. The Company shall provide Holders of Securities and the Trustee with not less than 30 days' nor more than 60 days' notice prior to the redemption date.

(b) Upon receiving such notice of redemption, each Holder shall have the right to elect to not have its Securities redeemed, in which case the Company shall not be obligated to pay any Additional Amounts on any payment with respect to such Securities solely as a result of such Change in Tax Law that resulted in the obligation to pay such Additional Amounts after the redemption date, and all future payments with respect to such Securities shall be subject to the deduction or withholding of such Relevant Jurisdiction Taxes required by law to be deducted or withheld as a result of such Change in Tax Law.

(c) A Holder electing to not have its Securities redeemed must deliver to the Trustee a written notice of election so as to be received by the Trustee prior to the close of business on the business day immediately preceding the redemption date. A Holder may withdraw any notice of election by delivering to the Trustee a written notice of withdrawal prior to the close of business on the business day immediately preceding the redemption date. If no election is made, the Holder shall have its Securities redeemed without any further action.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Securities.* The Company shall pay all amounts and make deliveries of securities due with respect to the Securities on the dates and in the manner provided in the Securities and this Indenture. All such amounts shall be considered paid on the date due if the Paying Agent holds (or, if the Company is acting as Paying Agent, the Company has segregated and holds in trust in accordance with Section 2.04) on that date money sufficient to pay the amount then due with respect to the Securities (unless there shall be a Default in the payment of such amounts to the respective Holder(s)). The Company will pay, in such coin or currency of the United States that at the time of payment is legal tender for payment of public and private debts, all amounts due in cash with respect to the Securities, which amounts shall be paid (a) in the case of a Global Security, by wire transfer of immediately available funds to the account designated by the Depositary or its nominee; and (b) in the case of a Physical Security, by wire transfer of immediately available funds to the account specified in writing to the Paying Agent by such Holder or, if such Holder does not specify an account, by mailing a check to the address of such Holder set forth in the register of the Registrar.

The Company shall pay, in cash, interest on any overdue amount (including, to the extent permitted by applicable law, overdue interest) at the rate borne by the Securities.

Section 4.02 *Maintenance of Office or Agency.* The Company will maintain, or cause to be maintained, an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee, Registrar) where Securities may be surrendered for registration of transfer or exchange, payment or conversion. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain, or fail to cause to maintain, any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders may be made at the Corporate Trust Office of the Trustee. The Company will maintain, or cause to be maintained, an office or agency where notices and demands to or upon the Company in respect of the Securities and this Indenture may be made, provided that such office or agency may instead be at the principal office of the Company located in the United States.

The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as an agency of the Company in accordance with Section 2.03; *provided that*, no service of legal process on the Company may be made at the Corporate Trust Office, all of which shall be made in accordance with Section 13.08.

Section 4.03 *Annual Reports.* (a) The Company shall provide to the Trustee a copy of each report the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act no later than the date 15 Business Days after such report is required to be filed with the SEC pursuant to the Exchange Act (after giving effect to any grace period provided by Rule 12b-25 under the Exchange Act); *provided*, *however*, that each such report will be deemed to be so provided to the Trustee if the Company files such report with the SEC through the SEC's EDGAR database no later than the time such report is required to be filed with the SEC pursuant to the Exchange Act (taking into account any applicable grace periods provided thereunder). The Company will at all times comply with TIA §314(a).

(b) Delivery of such reports, information and documents to the Trustee pursuant to this Section 4.03 is for informational purposes only, and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificates).

(c) At any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company shall, so long as any of the Securities or the ADSs delivered upon conversion thereof shall, at such time, constitute Restricted Securities, promptly provide to the Trustee and shall, upon written request, provide to any Holder, beneficial owner or prospective purchaser of such Securities or such ADSs the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Securities or such ADSs pursuant to Rule 144A under the Securities Act. The Company shall take such further action as any Holder or beneficial owner of such Securities or such ADSs may reasonably request from time to time to enable such Holder or beneficial owner to sell such Securities or such ADSs in accordance with Rule 144A under the Securities Act, as such rule may be amended from time to time.

Section 4.04 *Compliance Certificate.* The Company shall deliver to the Trustee, within one hundred and twenty (120) calendar days after the end of each fiscal year of the Company, commencing with the fiscal year ending December 31, 2015, a certificate from the principal executive, financial or accounting officer of the Company stating that such officer has conducted or supervised a review of the activities of the Company and its performance of obligations under this Indenture and the Securities and that, based upon such review, no Default or Event of Default exists hereunder or thereunder or, if there has been a Default or Event of Default, specifying such event, status and the remedial action proposed to be taken by the Company with respect to such Default or Event of Default.

Section 4.05 *Stay, Extension and Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or the Securities; and the Company (in each case, to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.06 *Notice of Default.* Within 30 days of the Company's becoming aware of the occurrence of any Default or Event of Default, the Company shall give written notice of such Default or Event of Default, and any remedial action proposed to be taken, to the Trustee.

Section 4.07 *Additional Amounts.* (a) The Company will make all payments of cash or deliveries of ADSs or Reference Property (whether upon conversion, repurchase, redemption, maturity or otherwise) on account of the Securities without withholding or deducting on account of any present or future tax, duty, levy, impost, assessment or other governmental charge in the nature of a tax (including, without limitation, penalties, interest and additions to tax) (a "**Tax**") imposed or levied by or on behalf of the government of any jurisdiction in which the Company, or any entity that assumes the Company's rights and obligations under the Securities (a "**Surviving Person**") is or is deemed to be organized, resident or doing business for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, a "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law, rule, regulation or governmental policy having the force of law. If such withholding or deduction is required, the Company or the Surviving Person, as the case may be, shall make such withholding or deduction and pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount of cash, ADSs or Reference Property, as applicable, received by each Holder of Securities after the withholding or deduction (including with respect to Additional Amounts) will not be less than the amount of cash, ADSs or Reference Property, as applicable, the Holder would have received if the Relevant Jurisdiction Taxes had not been withheld or deducted. Notwithstanding the foregoing, no Additional Amounts will be payable:

(i) for or on account of any Taxes imposed by reason of the failure of the relevant Holder or beneficial owner of Securities to comply with a timely request from the Company or a Surviving Person to provide certification, information, documents or other evidence concerning such Holder's nationality, residence, identity or connection with the Relevant Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that such Holder is legally eligible to comply with such request and such certification, information, documents or other evidence is required by statute, treaty, regulation or administrative practice of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction;

(ii) for or on account of any Taxes that would not have been imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of Securities (or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder or beneficial owner, if such Holder or beneficial owner is an estate, trust, partnership or corporation) and the taxing jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Security or the enforcement of any rights in respect of such Security or the receipt of any payment in respect thereof;

(iii) for or on account of any estate, inheritance, gift, sales, transfer, excise, personal property or similar Tax;

(iv) for or on account of any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Securities;

(v) on account of a presentation of such Security (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, and interest on, such Security, or the delivery of ADSs or other Reference Property upon conversion of such Security, became due and payable pursuant to the terms thereof or was duly provided for;

(vi) for or on account of any Taxes required by sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any amended or successor version of such sections) ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law, regulation or other official guidance enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA;

(vii) for or on account of any withholding or deduction that is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing or complying with, or introduced in order to conform to, such Directive; or

(viii) any combination of clauses (i) through (vii) above, (the "**Excluded Taxes**").

(b) The Company will remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. Additional Amounts will be paid in the same manner as the payments or deliveries being made on the applicable Interest Payment Date, on the Maturity Date, on a Conversion Date or on any Fundamental Change Repurchase Date. The Company shall provide written notice to the Holders (with a copy to the Trustee) of the commencement of any period which Additional Amounts shall accrue.

Whenever in this Indenture there is mentioned, in any context, the payment of principal amount and interest or any other amount payable under, or with respect to, any Security, including the payment of cash and/or the delivery of ADSs or Reference Property, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Section 4.07 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(c) Neither the Trustee nor any Securities Agent shall have any duties or obligations with respect to the determination of whether Additional Amounts are payable or the calculation of Additional Amounts.

(d) Anything in this Indenture to the contrary notwithstanding, the covenants and provisions of this Section 4.07 shall survive any termination or discharge of this Indenture, and the repayment of all or any of the Securities, and shall remain in full force and effect.]

Section 4.08 *Limitation on Incurrence of Indebtedness*. From the date of this Indenture and for so long as any SLP Security or HH Security is outstanding, the Company shall not (a) incur, create, assume, guarantee or otherwise become liable for (collectively, "Incur" and "Incurrence" shall have a correlative meaning) any Indebtedness that is (i) contractually senior in right of payment to the Securities, or (ii) *pari passu* in right of payment to the Securities and has a due date, or may be demanded for payment by the lender, or may be prepaid by the borrower or guarantor, on a date that is earlier than the Maturity Date, or (b) permit its Subsidiaries to Incur any Indebtedness, if in each case (x) the aggregate outstanding amount of the Indebtedness of the Company and its Subsidiaries described in (a) and (b) above, after giving effect to such proposed Incurrence, would exceed the Debt Incurrence Threshold, and (y) within five Business Days of its receipt of a written notice from the Company of the proposed Incurrence to SLP and HH, both SLP and HH object in writing to such proposed Incurrence.

For the purposes of this Section 4.08, "Debt Incurrence Threshold" means, if the proposed Incurrence of Indebtedness pursuant to this Section 4.08 occurs:

(a) between the Issue Date to but excluding the third anniversary of the Issue Date, US$400,000,000;

(b) between the third anniversary of the Issue Date to but excluding the fourth anniversary of the Issue Date, US$500,000,000; and

(c) between the fourth anniversary of the Issue Date to but excluding the Maturity Date, US$600,000,000.

ARTICLE 5
SUCCESSORS

Section 5.01 *When Company May Merge, Etc.* The Company shall not consolidate with, or merge with or into, or sell, transfer, lease, convey or otherwise dispose of all or substantially all of the consolidated property or assets of the Company to another Person (other than one or more Subsidiaries that are at least 90% owned by the Company), whether in a single transaction or series of related transactions, unless (i) the Company is the continuing corporation or such other Person is a corporation organized and existing under the laws of the United States of America, any state of the United States of America or the District of Columbia, or the Cayman Islands, and such other corporation assumes by supplemental indenture all of the obligations of the Company under the Securities and this Indenture and (ii) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall exist.

For purposes of this Section 5.01, the sale, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of one or more Subsidiaries of the Company to another Person other than the Company or one or more other Subsidiaries that are at least 90% owned by the Company, which properties or assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties or assets of the Company on a consolidated basis, shall be deemed to be the sale, transfer, lease, conveyance or other disposition of all or substantially all of the consolidated properties or assets of the Company to another Person.

The Company shall deliver to the Trustee prior to the consummation of the proposed transaction an Officer's Certificate to the foregoing effect and an Opinion of Counsel (which may rely upon such Officer's Certificate as to the absence of Defaults and Events of Default) stating that the proposed transaction and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture will, upon consummation of the proposed transaction, comply with this Indenture.

Section 5.02 *Successor Substituted*. In case of any such consolidation, merger or any sale, transfer, lease, conveyance or other disposition of all or substantially all of the consolidated property or assets of the Company and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee, of the due and punctual payment of the principal of and accrued and unpaid interest on all of the Securities, the due and punctual payment of the Fundamental Change Repurchase Price with respect to all Securities repurchased on each Fundamental Change Repurchase Date, the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Securities and the due and punctual performance of all of the covenants and conditions of this Indenture and the Securities to be performed by the Company, such successor Person shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor Person thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor Person instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Securities that previously shall have been signed and delivered by the Officers of the Company to the Trustee for authentication, and any Securities that such successor Person thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof. In the event of any such consolidation, merger or any sale, transfer, conveyance or other disposition (but not in the case of a lease), upon compliance with this Article 5 the Person named as the "Company" in the first paragraph of this Indenture or any successor that shall thereafter have become such in the manner prescribed in this Article 5 may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Securities and its obligations under this Indenture shall terminate.

In case of any such consolidation, merger or any sale, transfer, lease, conveyance or other disposition, such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default*. An "**Event of Default**" occurs if:

(a) the Company fails to pay the principal of any Security when due, whether on the Maturity Date, on a Fundamental Change Repurchase Date with respect to a Fundamental Change, upon acceleration or otherwise;

(b) the Company fails to pay an installment of interest on any Security when due, if the failure continues for thirty (30) days after the date when due;

(c) the Company fails to satisfy its conversion obligations upon exercise of a Holder's conversion rights pursuant hereto and such failure continues for a period of five (5) Business Days;

(d) the Company fails to comply with its obligations under Article 5;

(e) the Company fails to give notice of any Fundamental Change or Make-Whole Fundamental Change;

(f) the Company fails to comply with any other term, covenant or agreement set forth in the Securities or this Indenture and such failure continues for the period, and after the notice, specified in the last paragraph of this Section 6.01;

(g) the Company or any of its Subsidiaries defaults in the payment when due, after the expiration of any applicable grace period, of principal of, or premium, if any, or interest on, indebtedness for money borrowed, in the aggregate principal amount then outstanding of $10 million U.S. dollars (US$10,000,000) more, or the acceleration of indebtedness of the Company or any of its Subsidiaries for money borrowed in such aggregate principal amount or more so that it becomes due and payable before the date on which it would otherwise become due and payable, if such default is not cured or waived, or such acceleration is not rescinded in the period, and after the notice, specified in the last paragraph of this Section 6.01;

(h) the Company or any of its Subsidiaries fails to pay one or more final judgments from a court of competent jurisdiction, aggregating in excess of US$10,000,000 (or its equivalent in other currencies), which judgments are not paid, discharged or stayed for a period of 30 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished;

(i) the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company, pursuant to, or within the meaning of, any Bankruptcy Law, insolvency law, or other similar law now or hereafter in effect or otherwise, either:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors; or

(j) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company in an involuntary case or proceeding, or adjudicates the Company or any of its Significant Subsidiaries or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company insolvent or bankrupt,

(ii) appoints a Custodian of the Company or any of its Significant Subsidiaries or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company for all or substantially all of the consolidated property of the Company or any such Significant Subsidiary or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company, as the case may be, or

(iii) orders the winding up or liquidation of the Company or any of its Significant Subsidiaries or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company,

and, in the case of each of the foregoing clauses (i), (ii) and (iii) of this Section 6.01(j), the order or decree remains unstayed and in effect for at least sixty (60) consecutive days.

A Default under clause (f) or (g) above shall not be an Event of Default until (A) the Trustee notifies the Company in writing, or the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then outstanding notify the Company and the Trustee in writing, of the Default and (B) the Default is not cured within sixty (60) days in the case of clause (f), or within thirty (30) days in the case of clause (g), after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default." When a Default or Event of Default is cured, it ceases to exist for all purposes under this Indenture.

Section 6.02 *Acceleration*. (a) If an Event of Default (excluding an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company, but including an Event of Default specified in Section 6.01(i) or Section 6.01(j) solely with respect to a Significant Subsidiary of the Company or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company) has occurred and is continuing, either the Trustee, by written notice to the Company, or the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then outstanding, by written notice to the Company and the Trustee, may declare the Securities to be immediately due and payable in full. Upon such declaration, the principal of, and any accrued and unpaid interest on, all Securities shall be due and payable immediately. If an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company (excluding, for purposes of this sentence, an Event of Default specified in Section 6.01(i) or Section 6.01(j) solely with respect to a Significant Subsidiary of the Company or any group of its Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company) occurs, the principal of, and accrued and unpaid interest on, all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of a majority in aggregate principal amount of the Securities then outstanding by written notice to the Trustee may rescind or annul an acceleration and its consequences if (i) the rescission would not conflict with any order or decree, (ii) all existing Events of Default, except the nonpayment of principal or interest that has become due solely because of the acceleration, have been cured or waived and (iii) all amounts due to the Trustee under Section 7.06 have been paid.

(b) Notwithstanding the foregoing, for the first 360 days immediately following an Event of Default relating to failure to comply with Section 4.03(a) or for any failure to comply with the requirements of Section 314(a)(1) of the TIA (at any time such section is applicable to the Indenture, if any) (which will be the 61st day after written notice is provided to the Company of the Default pursuant to the last paragraph of Section 6.01, unless such failure is cured or waived prior to such 61st day), the sole remedy for any such Event of Default shall, at the Company's election, be the accrual of Additional Interest on the Securities at a rate per year equal to (i) 0.25% of the outstanding principal amount of Securities for the first 180 days following the occurrence of such Event of Default for so long as such Event of Default is continuing and (ii) 0.50% of the outstanding principal amount of Securities for the next 180 days after the first 180 days following the occurrence of such Event of Default for so long as such Event of Default is continuing, in each case, payable in the same manner and at the same time as the stated interest payable on the Securities. Such Additional Interest shall accrue on all outstanding Securities from, and including, the date on which such Event of Default first occurs to, and including, the 360th day thereafter (or such earlier date on which such Event of Default shall have been cured or waived). On and after the 361st day immediately following an Event of Default relating to a failure to comply with Section 4.03(a), if the Company elected to pay Additional Interest pursuant to this Section 6.02(b) such Additional Interest will cease to accrue and, if such Event of Default has not been cured or waived prior to such 361st day, the Securities may be accelerated by the Holders or the Trustee as provided above.

In order to elect to pay Additional Interest as sole remedy during the first 360 days after the occurrence of any Event of Default relating to the failure to comply with the obligations under Section 4.03(a) or for any failure to comply with the requirements of Section 314(a)(1) of the TIA (at any time such section is applicable to the Indenture, if any), the Company shall notify all Holders, the Trustee and the Paying Agent of such election in writing prior to the Close of Business on the date on which such Event of Default occurs. If the Company fails to give timely notice of such election, the Securities will be immediately subject to acceleration as provided in Section 6.02(a).

In the event the Company does not elect to pay Additional Interest upon such Event of Default in accordance with this Section 6.02(b), the Securities will be subject to acceleration as provided in Section 6.02(a). This Section 6.02(b) does not affect the rights of Holders if any other Event of Default occurs under this Indenture.

Additional Interest shall be payable at the same time, in the same manner and to the same Persons as ordinary interest.

(c) If the Company is required to pay Additional Interest to Holders, the Company shall provide a direction or order in the form of a written notice to the Trustee (and if the Trustee is not the Paying Agent, to the Paying Agent) of the Company's obligation to pay such Additional Interest no later than three Business Days prior to the date on which any such Additional Interest is scheduled to be paid. Such notice shall set forth the amount of Additional Interest to be paid by the Company on such payment date and direct the Trustee (or, if the Trustee is not the Paying Agent, to the Paying Agent) to make payment to the extent it receives funds from the Company to do so. The Trustee shall not at any time be under any duty or responsibility to any Holder to determine whether the Additional Interest is payable, or with respect to the nature, extent or calculation of the amount of the Additional Interest owed, or with respect to the method employed in such calculation of the Additional Interest.

Section 6.03 *Other Remedies*. Notwithstanding any other provision of this Indenture, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of amounts due with respect to the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative.

Section 6.04 *Waiver of Past Defaults*. Subject to Section 6.07 and Section 9.02, the Holders of a majority in aggregate principal amount of the Securities then outstanding may, by written notice to the Trustee, waive any past Default or Event of Default and its consequences, other than a Default or Event of Default (a) in the payment of the principal of, or interest on, any Security or in the payment of the Fundamental Change Repurchase Price (b) arising from a failure by the Company to convert any Securities in accordance with this Indenture or (c) in respect of any provision of this Indenture or the Securities which, under Section 9.02, cannot be modified or amended without the consent of the Holder of each outstanding Security affected, if:

(i) all existing Default or Event of Default, other than the nonpayment of the principal of and interest on the Securities that have become due solely by the declaration of acceleration, have been cured or waived; and

(ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

When a Default or an Event of Default is waived, it is cured and ceases to exist for all purposes under this Indenture, but no such waiver will extend to any subsequent or other Default or Event of Default or impair any rights of Holders or the Trustee related thereto.

Section 6.05 *Control by Majority*. The Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability unless the Trustee is offered indemnity satisfactory to the Trustee; provided that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 6.06 *Limitation on Suits*. Except with respect to any proceeding instituted in accordance with Section 6.07, a Holder shall not have any right to institute any proceeding under this Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under this Indenture unless:

(a) the Holder gives the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then outstanding make a written request to the Trustee to pursue the remedy;

(c) the Holder or Holders offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense to or of the Trustee in connection with pursuing such remedy; and

(d) the Trustee fails to comply with the request within sixty (60) days after receipt of such notice, request and offer of indemnity, and during such sixty (60) day period, the Holders of a majority in aggregate principal amount of the Securities then outstanding do not give the Trustee a direction that is inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment and to Convert Securities*. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of all amounts (including any principal, interest or the Fundamental Change Repurchase Price) due with respect to the Securities, on or after the respective due dates as provided herein, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

In addition, notwithstanding any other provision of this Indenture, the right of any Holder to convert a Security in accordance with this Indenture, or to bring suit for the enforcement of such right, shall not be impaired or affected without the consent of the Holder.

Section 6.08 *Collection Suit by Trustee*. If an Event of Default specified in Section 6.01(a) or Section 6.01(b) has occurred and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount due with respect to the Securities, including any unpaid and accrued interest.

Section 6.09 *Trustee May File Proofs of Claim*. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee, any predecessor Trustee and the Holders allowed in any judicial proceedings relative to the Company or its creditors or properties.

The Trustee may collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities*. If the Trustee collects any money or property pursuant to this Article 6, it shall pay out or deliver the money or property in the following order:

First: to the Trustee for amounts due under Section 7.06;

Second: to Holders for all amounts due and unpaid on the Securities, without preference or priority of any kind, according to the amounts due and payable on the Securities; and

Third: the balance, if any, to the Company.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment by it to Holders pursuant to this Section 6.10. At least fifteen (15) days before each such record date, the Trustee shall send to each Holder and the Company a written notice that states such record date and payment date and the amount of such payment.

Section 6.11 *Undertaking for Costs*. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit other than the Trustee of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than ten percent (10%) in aggregate principal amount of the outstanding Securities.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee*. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee need perform only those duties that are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith, willful misconduct or gross negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(ii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05; and

(iii) this paragraph does not limit the effect of Section 7.01(b) hereof.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to the provisions of this Section 7.01.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds unless required by law.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers or duties hereunder.

Section 7.02 *Rights of Trustee*. (a) Subject to Section 7.01, the Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document; if, however, the Trustee shall determine to make such further inquiry or investigation, it shall be entitled during normal business hours to examine the relevant books, records and premises of the Company, personally or by agent or attorney upon reasonable prior notice, at the sole cost of the Company, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(c) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Order, and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution.

(d) The Trustee may consult with counsel of its own selection, and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(e) The Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(f) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its discretion, rights or powers conferred upon it by this Indenture; *provided* that the Trustee's action does not constitute willful misconduct or gross negligence.

(g) Except with respect to Section 4.01, when it is acting as Paying Agent, the Trustee shall have no duty to inquire as to the performance of the Company with respect to the covenants contained in Article 4. In addition, the Trustee shall not be deemed to have knowledge of an Event of Default except (i) any Default or Event of Default occurring pursuant to Section 6.01(a) or (b) for which it acts as Paying Agent or (ii) any Default or Event of Default of which a Responsible Officer of the Trustee who shall have direct responsibility for the administration of this Indenture shall have received written notification or obtained actual knowledge. Delivery of reports, information and documents to the Trustee under Article 4 (other than Section 4.04 and 4.06) is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely on Officer's Certificates).

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested by this Indenture at the request or demand of any of the Holders pursuant to this Indenture unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or demand.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, including without limitation as Registrar, Paying Agent or Conversion Agent, and each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(k) The permissive rights of the Trustee to do things enumerated in this Indenture will not be construed as a duty.

(l) In no event will the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, without limitation, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 7.03 *Individual Rights of Trustee*. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or any of its Affiliates with the same rights the Trustee would have if it were not Trustee. Any Securities Agent may do the same with like rights. The Trustee, however, must comply with Section 7.09.

Section 7.04 *Trustee's Disclaimer*. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Securities; the Trustee shall not be accountable for the Company's use of the proceeds from the Securities; and the Trustee shall not be responsible for any statement in the Securities other than its certificate of authentication.

Section 7.05 *Notice of Defaults*. If a Default or Event of Default occurs and is continuing as to which the Trustee has received notice pursuant to the provisions of this Indenture, or as to which a Responsible Officer of the Trustee who shall have direct responsibility for the administration of this Indenture shall have actual knowledge, then the Trustee shall send to each Holder a notice of the Default or Event of Default within thirty (30) days after receipt of such notice or after acquiring such knowledge, as applicable, unless such Default or Event of Default has been cured or waived; provided, however, that, except in the case of a Default or Event of Default in payment or delivery of any amounts due (including principal, interest, the Fundamental Change Repurchase Price or the consideration due upon conversion) with respect to any Security, the Trustee may withhold such notice if, and so long as it in good faith determines that, withholding such notice is in the best interests of Holders.

Section 7.06 *Compensation and Indemnity*. The Company shall, pay to the Trustee from time to time such compensation for its services as shall be agreed upon in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred by it pursuant to, and in accordance with, any provision hereof, except for any such expenses as shall have been caused by the Trustee's own gross negligence or willful misconduct. Such expenses shall include the reasonable compensation and out-of-pocket expenses of the Trustee's agents and counsel. The Trustee shall provide the Company with reasonable notice of any expense not in the ordinary course of business.

The Company shall indemnify each of the Trustee, each predecessor Trustee and their respective officers, directors, employees and agents for, and hold each of them harmless against, any and all loss, liability, damage, claim or expense (including the reasonable fees and expenses of counsel and taxes other than those based upon the income of the Trustee) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder, or in connection with enforcing the provisions of this Section 7.06, including the reasonable costs and expenses of defending itself against any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers and duties hereunder. The Company need not pay for any settlement made without its consent. The Trustee shall notify the Company promptly of any claim for which it may seek indemnification; *provided* that failure to give such notice shall not relieve the Company of its obligations under this Section 7.06. The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through the Trustee's gross negligence or willful misconduct.

To secure the Company's payment obligations in this Section 7.06, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay amounts due on particular Securities.

The indemnity obligations of the Company with respect to the Trustee *provided* for in this Section 7.06 shall survive any resignation or removal of the Trustee and any termination of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(i) or Section 6.01(j) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.07 *Replacement of Trustee*. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.07.

The Trustee may resign by so notifying the Company in writing thirty (30) days prior to such resignation. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Trustee by so notifying the Trustee and the Company in writing and may appoint a successor Trustee with the Company's consent. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.09;

(b) the Trustee is adjudged a bankrupt or an insolvent;

(c) a receiver or other public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee.

If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Company's expense), the Company or the Holders of at least ten percent (10%) in aggregate principal amount of the outstanding Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.09, the Company or any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall send a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.06.

Section 7.08 *Successor Trustee by Merger, Etc.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee, if such successor corporation is otherwise eligible hereunder.

Section 7.09 *Eligibility; Disqualification*. There shall at all times be a Trustee hereunder that (i) is an entity organized and doing business under the laws of the United States of America or of any state thereof or the District of Columbia, (ii) is subject to supervision or examination by federal or state authorities and (iii) has a combined capital and surplus of at least $50 million as set forth in its most recent published annual report of condition.

Section 7.10 *Preferential Collection of Claims Against Company*. The Trustee is subject to TIA §311(a), excluding any creditor relationship listed in TIA §311(b). A Trustee who has resigned or been removed shall be subject to §311(a) to the extent indicated.

Section 7.11 *Reports by Trustee to Holders.* Within 60 days after each anniversary date of this Indenture, beginning with May 6, 2015, the Trustee shall transmit by mail to all Holders of the Securities, as their names and addresses appear on the register kept by the Registrar, a brief report dated as of such anniversary date, in accordance with, and to the extent required under, TIA § 313(a) (but if no event described in TIA §313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also will comply with TIA § 313(b)(2). The Trustee will also transmit by mail all reports as required by TIA § 313(c). A copy of each report at the time of its delivery to the Holders of Securities shall be delivered to the Company and each stock exchange on which the Securities are listed in accordance with TIA § 313(d). The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange.

ARTICLE 8
DISCHARGE OF INDENTURE

Section 8.01 *Termination of the Obligations of the Company*. This Indenture shall cease to be of further effect, and the Trustee shall execute such instruments acknowledging satisfaction and discharge of this Indenture reasonably requested by the Company, if (a) either (i) all outstanding Securities (other than Securities replaced pursuant to Section 2.07) have been delivered to the Trustee for cancellation or (ii) all outstanding Securities have become due and payable at their scheduled maturity, upon conversion or Repurchase Upon Fundamental Change, and in either case the Company irrevocably deposits, prior to the applicable due date, with the Trustee cash, securities or, in the case of conversion, cash, ADSs (and cash in lieu of any fractional ADSs) or a combination thereof, as applicable, solely to satisfy the Company's Conversion Obligation, sufficient to satisfy all obligations due and owing on all outstanding Securities (other than Securities replaced pursuant to Section 2.07) on the Maturity Date, the relevant settlement date of any conversion or the Fundamental Change Repurchase Date, as the case may be; (b) the Company pays all other sums payable hereunder by the Company; (c) no Default or Event of Default with respect to the Securities shall exist on the date of such deposit under clause (a)(ii) above; (d) such deposit under clause (a)(ii) above shall not result in a breach or violation of, or constitute a Default or Event of Default under, this Indenture; and (e) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with; provided, however, that Section 2.03, Section 2.04, Section 2.05, Section 2.08, Section 4.01, Section 4.02, Section 4.05, Section 7.06, Section 7.07, Section 7.08, Section 7.09, Section 13.04, Section 13.08 and Section 13.13, Article 5 and this Article 8 and any right of the Holders to receive any payments in accordance with this Indenture in respect of their Securities shall survive any discharge of this Indenture until such time as all payments in respect of the Securities have been paid in full and there are no Securities outstanding; provided further, however, that Section 7.06 shall also survive after the Securities are paid in full and there are no Securities outstanding.

Section 8.02 *Application of Trust Money*. The Trustee shall hold in trust all money deposited with it pursuant to Section 8.01 and shall apply such deposited money through the Paying Agent and in accordance with this Indenture to the payment of amounts due on the Securities.

Section 8.03 *Repayment to Company*. The Trustee and the Paying Agent shall promptly notify the Company of, and pay or deliver to the Company upon the request of the Company, any excess money or property held by them at any time. Subject to applicable abandoned property law, the Trustee or the Paying Agent, as the case may be, shall provide written notice to the Company of any money that has been held by it and has, for a period of two (2) years, remained unclaimed for the payment of the principal of, or any accrued and unpaid interest on, the Securities. The Trustee and the Paying Agent shall pay or deliver to the Company upon the written request of the Company any money or property held by them for the payment of the principal of, or any accrued and unpaid interest on, the Securities that remains unclaimed for two (2) years; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Company, cause to be published (in no event later than five (5) days after the Company requests repayment) once in a newspaper of general circulation in the City of New York or cause to be sent to each Holder, notice stating that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication or mailing, any unclaimed balance of such money then remaining will be repaid to the Company. After payment to the Company, Holders entitled to the money or property must look to the Company for payment as general creditors, subject to applicable law, and all liability of the Trustee and the Paying Agent with respect to such money and payment shall, subject to applicable law, cease.

Section 8.04 *Reinstatement*. If the Trustee or Paying Agent is unable to apply any money, ADSs or other consideration in accordance with Section 8.01 and Section 8.02 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture and the Securities shall be revived and reinstated as though no deposit or delivery had occurred pursuant to Section 8.01 and Section 8.02 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.01 and Section 8.02; provided, however, that if the Company has made any payment of amounts due with respect to any Securities because of the reinstatement of its obligations, then the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money, ADSs or other consideration held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENTS

Section 9.01 *Without Consent of Holders*. The Company may amend or supplement this Indenture or the Securities without notice to or the consent of any Holder:

(a) to comply with Section 5.01 or Section 10.11;

(b) to secure the obligations of the Company in respect of the Securities or add guarantees with respect to the Securities;

(c) to evidence and provide for the appointment of a successor Trustee in accordance with Section 7.07;

(d) to comply with the provisions of any securities depositary, including DTC, clearing agency, clearing corporation or clearing system, or the requirements of the Trustee or the Registrar, relating to transfers and exchanges of any applicable Securities pursuant to this Indenture;

(e) to add to the covenants of the Company described in this Indenture for the benefit of Holders or to surrender any right or power conferred upon the Company;

(f) to make provision with respect to adjustments to the Conversion Rate as required by this Indenture or to increase the Conversion Rate in accordance with this Indenture; or

(g) to comply with the requirement of the SEC in order to effect or maintain the qualification of this Indenture and any supplemental indenture under the TIA.

In addition, the Company and the Trustee may enter into a supplemental indenture without the consent of Holders of the Securities to cure any ambiguity, manifest error, defect, omission or inconsistency in this Indenture in a manner that does not, individually or in the aggregate with all other changes, materially adversely affect the rights of any Holder.

Section 9.02 *With Consent of Holders*. The Company may amend or supplement this Indenture or the Securities with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities (including, without limitation, consents obtained from Holders in connection with a purchase of, or tender or exchange offer for, Securities). Subject to Section 6.04 and Section 6.07, the Holders of a majority in aggregate principal amount of the outstanding Securities may, by written notice to the Trustee, waive by consent (including, without limitation, consents obtained from Holders in connection with a purchase of, or tender or exchange offer for, Securities) compliance by the Company with any provision of this Indenture or the Securities without notice to any other Holder. Notwithstanding the foregoing or anything herein to the contrary, without the consent of the Holder of each outstanding Security affected, an amendment, supplement or waiver, including a waiver pursuant to Section 6.04, may not:

(a) change the stated maturity of the principal of, or the payment date of any installment of interest on, any Security;

(b) reduce the principal amount of, or any interest (other than Additional Interest) on, any Security;

(c) change the place, manner or currency of payment of principal of, or any interest on, any Security;

(d) impair the right to institute suit for the enforcement of any delivery or payment on, or with respect to, or due upon the conversion of, any Security;

(e) modify, in a manner adverse to Holders, the provisions with respect to the right of Holders pursuant to Section 3.01 to require the Company to repurchase Securities upon the occurrence of a Fundamental Change;

(f) adversely affect the right of Holders to convert Securities in accordance with Article 10;

(g) reduce the percentage in aggregate principal amount of outstanding Securities whose Holders must consent to a modification to or amendment of any provision of this Indenture or the Securities;

(h) modify the provisions of this Indenture with respect to modification and waiver (including waiver of a Default or an Event of Default), except to increase the percentage required for modification or waiver or to provide for the consent of each affected Holder; or

(i) modify Section 4.07 in a manner adverse to any Holder.

Promptly after an amendment, supplement or waiver under Section 9.01 or this Section 9.02 becomes effective, the Company shall mail, or cause to be mailed, to Holders a notice briefly describing such amendment, supplement or waiver. Any failure of the Company to mail such notice shall not in any way impair or affect the validity of such amendment, supplement or waiver.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

Section 9.03 *Revocation and Effect of Consents*. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security. However, any such Holder or subsequent Holder may revoke the consent as to its Security or portion of a Security if a Responsible Officer receives the notice of revocation before the date the amendment, supplement or waiver becomes effective.

After an amendment, supplement or waiver becomes effective with respect to the Securities, it shall bind every Holder unless such amendment, supplement or waiver makes a change that requires, pursuant to Section 9.02, the consent of each Holder affected. In that case, the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and, provided that notice of such amendment, supplement or waiver is reflected on a Security that evidences the same debt as the consenting Holder's Security, every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security. Nothing in this Section 9.03 shall impair the Company's rights pursuant to Section 9.01 to amend this Indenture or the Securities without the consent of any Holder in the manner set forth in, and permitted by, such Section 9.01. Any amendment to this Indenture or the Securities shall be set forth in a supplemental indenture to the Indenture that complies with the TIA as then in effect.

Section 9.04 *Notation on or Exchange of Securities*. If an amendment, supplement or waiver changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security as directed and prepared by the Company about the changed terms and return it to the Holder. Alternatively, if the Company so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms.

Section 9.05 *Trustee Protected*. The Trustee shall sign any amendment, supplemental indenture or waiver authorized pursuant to this Article 9; provided, however, that the Trustee need not sign any amendment, supplement or waiver authorized pursuant to this Article 9 that adversely affects the Trustee's rights, duties, liabilities or immunities. The Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel as to legal matters and an Officer's Certificate as to factual matters that any supplemental indenture, amendment or waiver is permitted or authorized pursuant to this Indenture.

Section 9.06 *Effect of Supplemental Indentures*. Upon the due execution and delivery of any supplemental indenture in accordance with this Article 9, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes, and, except as set forth in Section 9.02 and Section 9.03, every Holder of Securities shall be bound thereby.

ARTICLE 10
CONVERSION

Section 10.01 *Conversion Privilege*. (a) Subject to the limitations of Section 10.01(b), Section 10.02, Section 10.11 and the settlement provisions of Section 10.14(b), and upon compliance with the provisions of this Article 10, each Holder of a Security shall have the right, at such Holder's option, to convert all or any portion (if the portion to be converted is $1,000 principal amount or a multiple thereof) of such Security at any time prior to the Close of Business on the Scheduled Trading Day immediately preceding the Maturity Date, in each case, at the then applicable Conversion Rate per $1,000 principal amount of Securities (subject to the settlement provisions of Section 10.02, the "**Conversion Obligation**").

(b) A Holder may convert a portion of the principal amount of a Security if such portion is $1,000 principal amount or an integral multiple of $1,000 principal amount. Provisions of this Indenture that apply to conversion of all of a Security also apply to conversion of a portion of such Security.

Section 10.02 *Conversion Procedure and Payment Upon Conversion*.

(a) Subject to this Section 10.02 and Section 10.11 and the settlement provisions of Section 10.14(a)(ii)(A), upon conversion of any Security, the Company shall pay or deliver, as the case may be, to the converting Holder, in respect of each $1,000 principal amount of Securities being converted, ADSs, together with cash, if applicable, in lieu of delivering any fractional ADSs in accordance with Section 10.03 ("**Physical Settlement**") or, if elected by the Company and agreed by the converting Holder, a combination of cash and ADSs, together with cash, if applicable, in lieu of delivering any fractional ADSs in accordance with Section 10.03 ("**Combination Settlement**") as set forth in this Section 10.02. For the avoidance of doubt, a Holder shall not have any right to demand which Settlement Method the Company uses to satisfy the Conversion Obligation.

(i) If, in respect of any Conversion Date, the Company elects to deliver a notice (the "**Settlement Notice**") of the relevant Settlement Method in respect of such Conversion Date (or such period, as the case may be), the Company shall deliver such Settlement Notice to converting Holders (with a copy to the Trustee and the Conversion Agent) no later than the Close of Business on the Trading Day (or in the case of Global Securities, no later than the Close of Business on the third Trading Day) immediately following the relevant Conversion Date. If the Company does not elect a Settlement Method prior to the deadline set forth in the immediately preceding sentence, the Company shall no longer have the right to elect Combination Settlement and the Company shall be deemed to have elected Physical Settlement in respect of its Conversion Obligation. Such Settlement Notice shall specify the relevant Settlement Method and in the case of an election of Combination Settlement, the relevant Settlement Notice shall indicate the Specified Dollar Amount per $1,000 principal amount of Securities. If the Company delivers a Settlement Notice electing Combination Settlement in respect of its Conversion Obligation but does not indicate a Specified Dollar Amount per $1,000 principal amount of Securities in such Settlement Notice, the Specified Dollar Amount per $1,000 principal amount of Securities shall be deemed to be $1,000. Notwithstanding the foregoing, in the event that the Company elects Combination Settlement on the Settlement Notice, the converting Holder shall deliver a written notice to the Company (with a copy to the Trustee and the Conversion Agent) indicating whether it agrees to the use of Combination Settlement before the 20th Business Day after the date of delivery of the Settlement Notice to such Holder, provided that if such Holder fails to deliver such notice before the end of such 20 Business Day period, it shall be deemed to have agreed to the use of Combination Settlement. In the event that the converting Holder indicates it does not agree to the use of the Combination Settlement, the Company shall not be entitled to use Combination Settlement with respect to the Securities elected to be converted by such Holder and such Securities shall be settled by Physical Settlement.

(ii) The ADSs or combination of cash and ADSs in respect of any conversion of Securities (the "**Settlement Amount**") shall be computed as follows:

(A) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Physical Settlement, the Company shall deliver to the converting Holder in respect of each $1,000 principal amount of Securities being converted a number of ADSs equal to the Conversion Rate in effect on the Conversion Date (provided that the Company shall deliver cash in lieu of any fractional ADSs as described in Section 10.03); and

(B) if the Company elects to satisfy its Conversion Obligation in respect of such conversion by Combination Settlement and the use of Combination Settlement is agreed by the converting Holder in accordance with Section 10.02(a)(i), the Company shall pay or deliver, as the case may be, in respect of each $1,000 principal amount of Securities being converted, a Settlement Amount equal to the sum of the Daily Settlement Amounts for each of the 20 consecutive Trading Days during the related Observation Period.

The Daily Settlement Amounts (if applicable) and the Daily Conversion Values (if applicable) shall be determined by the Company promptly following the last day of the Observation Period. Promptly after such determination of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering any fractional ADSs, the Company shall notify the Trustee and the Conversion Agent (if other than the Trustee) of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering fractional ADSs. The Trustee and the Conversion Agent (if other than the Trustee) shall have no responsibility for any such determination.

To convert its Security, a Holder of a Physical Security must (i) complete and manually sign the Conversion Notice, with appropriate signature guarantee, or facsimile of the Conversion Notice and deliver the completed Conversion Notice to the Conversion Agent, (ii) surrender the Security to the Conversion Agent, (iii) furnish appropriate endorsements and transfer documents to the Registrar or Conversion Agent, (iv) pay all transfer or similar taxes if required pursuant to Section 10.04 and (v) pay funds equal to interest payable in on the next Interest Payment Date required by Section 10.02(c). If a Holder holds a beneficial interest in a Global Security, to convert such Security, the Holder must comply with clauses (iv) and (v) above and the Depositary's procedures for converting a beneficial interest in a Global Security.

(b) Each conversion shall be deemed to have been effected as to any Securities surrendered for conversion at the Close of Business on the applicable Conversion Date (in the case of Physical Settlement) or the last Trading Day of the relevant Observation Period (in the case of Combination Settlement), and the Person in whose name the ADSs shall be issuable upon such conversion shall become the holder of record of such ADSs as of the Close of Business on such Conversion Date (in the case of Physical Settlement) or the last Trading Day of the relevant Observation Period (in the case of Combination Settlement). Prior to such time, a Holder receiving ADSs upon conversion shall not be entitled to any rights relating to such ADSs, including, among other things, the right to vote and receive dividends and notices of shareholder meetings. On and after the Close of Business on the Conversion Date (in the case of Physical Settlement) or the last Trading Day of the relevant Observation Period (in the case of Combination Settlement), in each case, with respect to a conversion of a Security pursuant hereto, all rights of the Holder of such Security shall terminate, other than the right to receive the consideration deliverable or payable upon conversion of such Security as provided herein and accrued but unpaid interest, if any, on such Security as provided herein.

(c) Except as provided in the Securities or in this Article 10, no payment or adjustment will be made for accrued interest on a converted Security, and accrued interest, if any, will be deemed to be paid by the consideration paid to the Holder upon conversion. Such accrued interest, if any, shall be deemed to be paid in full rather than cancelled, extinguished or forfeited. The Company's settlement of the full Conversion Obligation shall be deemed to satisfy in full its obligation to pay the principal amount of the Security and accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date. Upon a conversion of Securities into a combination of cash and ADSs, accrued and unpaid interest will be deemed to be paid first out of the cash paid upon such conversion. If any Holder surrenders a Security for conversion after the Close of Business on the Record Date for the payment of an installment of interest but prior to the Open of Business on the next Interest Payment Date, then, notwithstanding such conversion, the full amount of interest payable with respect to such Security on such Interest Payment Date shall be paid on such Interest Payment Date to the Holder of record of such Security at the Close of Business on such Record Date; *provided*, *however*, that such Security, when surrendered for conversion, must be accompanied by payment in cash to the Conversion Agent on behalf of the Company of an amount equal to the full amount of interest payable on such Interest Payment Date on the Security so converted; *provided further*, *however*, that such payment to the Conversion Agent described in the immediately preceding proviso in respect of a Security surrendered for conversion shall not be required with respect to a Security that (i) is surrendered for conversion after the Close of Business on the Record Date immediately preceding the Maturity Date, or (ii) is surrendered for conversion after the Close of Business on a Record Date for the payment of an installment of interest and on or prior to the Open of Business on the related Interest Payment Date, where, pursuant to Section 3.01, the Company has specified, with respect to a Fundamental Change, a Fundamental Change Repurchase Date that is after such Record Date but on or prior to such Interest Payment Date; *provided further* that, if the Company shall have, prior to the Conversion Date with respect to a Security, defaulted in a payment of interest on such Security, then in no event shall the Holder of such Security who surrenders such Security for conversion be required to pay such defaulted interest or the interest that shall have accrued on such defaulted interest pursuant to Section 2.12 or otherwise (it being understood that nothing in this Section 10.02(c) shall affect the Company's obligations under Section 2.12).

(d) If a Holder converts more than one Security at the same time, the Conversion Obligation with respect to such Securities shall be based on the total principal amount of all Securities so converted.

(e) The Company shall pay or deliver, as the case may be, the consideration due in respect of the Conversion Obligation on the later of (i) the third Business Day immediately following the relevant Conversion Date (or if the Company elects Combination Settlement but such election is not agreed by the converting Holder pursuant to Section 10.02(a)(i), the third Business Day immediately following the date on which the Company or the Trustee receives written notice from the converting Holder indicating it does not agree to the use of Combination Settlement) and (ii) the third Business Day immediately following the last Trading Day of the relevant Observation Period, as applicable. If any ADSs are due to converting Holders, the Company shall issue or cause to be issued, and deliver or cause to be delivered to such Holder, or such Holder's nominee or nominees, certificates or a book-entry transfer through the Depositary for the full number of ADSs to which such Holder shall be entitled in satisfaction of the Company's Conversion Obligation.

(f) Upon surrender of a Security that is converted in part, the Trustee shall authenticate for the Holder a new Security equal in principal amount to the unconverted portion of the Security surrendered.

(g) If the last day on which a Security may be converted is not a Business Day, the Security may be surrendered to that Conversion Agent on the next succeeding day that is a Business Day.

Section 10.03 *Cash in Lieu of Fractional Shares*. The Company will not issue a fractional ADS upon conversion of a Security. Instead, the Company shall pay cash in lieu of fractional ADSs based on the Daily VWAP on the relevant Conversion Date (in the case of Physical Settlement) or based on the Daily VWAP on the last Trading Day of the relevant Observation Period (in the case of Combination Settlement). If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full ADSs that shall be issuable upon conversion thereof shall be computed on the basis of the aggregate Daily Settlement Amounts for the relevant Observation Period (in the case of Combination Settlement) or the aggregate principal amount of the Securities, or specified portions thereof to the extent permitted hereby (in the case of Physical Settlement) so surrendered, and any fractional ADSs remaining after such computation shall be paid in cash.

Section 10.04 *Taxes on Conversion*. If a Holder converts its Security, the Company shall pay any documentary, stamp or similar issue or transfer tax or duty due on the issue, if any, of ADSs upon the conversion. However, such Holder shall pay any such tax or duty that is due because such shares are issued in a name other than such Holder's name. The ADS Depositary may refuse to deliver a certificate representing the ADSs to be issued in a name other than such Holder's name until the ADS Depositary receives a sum sufficient to pay any tax or duty which will be due because such ADSs are to be issued in a name other than such Holder's name.

Section 10.05 *Company to Provide Ordinary Shares*. The Company shall at all times keep available, free from any other pre-emptive rights or similar rights, out of its authorized but unissued Ordinary Shares, or Ordinary Shares held in its treasury, enough Ordinary Shares that corresponds to the number of ADSs to permit the conversion, in accordance herewith, of all of the Securities (assuming, for such purposes, that at the time of computation of such number of shares, all such Securities would be converted by a single Holder). Any ADSs due upon conversion of a Global Security shall be delivered by the Company in accordance with the Depositary's customary practices.

All ADSs and Ordinary Shares represented by such ADSs issued upon conversion of the Securities shall be validly issued, fully paid and non-assessable and shall be free of preemptive or similar rights and free of any lien or adverse claim that arises from the action or inaction of the Company.

The Company shall comply with all securities laws regulating the offer and delivery of any ADSs and Ordinary Shares represented by such ADSs upon conversion of Securities and shall list such ADSs on each national securities exchange or automated quotation system on which the ADSs are listed on the applicable Conversion Date.

The Company shall undertake to maintain, as long as the Securities are outstanding, the effectiveness of a registration statement on Form F-6 relating to the ADSs and an adequate number of ADSs available for issuance thereunder such that ADSs can be delivered in accordance with the terms of this Indenture, the Securities and the Deposit Agreement upon conversion of the Securities.

Section 10.06 *Adjustment of Conversion Rate*. If the number of Class B Ordinary Shares represented by the ADSs is changed for any reason other than one or more of the events described in this Section 10.06, the Company shall make an appropriate adjustment to the Conversion Rate such that the number of Class B Ordinary Shares represented by the ADSs deliverable upon conversion of any Securities is not affected by such change.

Notwithstanding the adjustment provisions described in this Section 10.06, if the Company distributes to all or substantially all holders of the Ordinary Shares any cash, rights, options, warrants, shares of capital stock or similar equity interest, evidences of indebtedness or other assets or property of the Company (but excluding Expiring Rights) and, in lieu of a corresponding distribution to holders of the ADSs, the ADSs shall instead represent, in addition to Class B Ordinary Shares, such cash, rights, options, warrants, shares of capital stock or similar equity interest, evidences of indebtedness or other assets or property of the Company, then an adjustment to the Conversion Rate described in this Section 10.06 shall not be made unless and until a corresponding distribution (if any) is made to holders of the ADSs, and in which case such adjustment to the Conversion Rate shall be based on the distribution made to the holders of the ADSs and not on the distribution made to the holders of the Ordinary Shares. However, in the event that the Company issues or distributes to all or substantially all holders of the Ordinary Shares any Expiring Rights, notwithstanding the immediately preceding sentence, the Company shall adjust the Conversion Rate pursuant to Section 10.06(b) (in the case of Expiring Rights entitling holders of the Ordinary Shares for a period of not more than 60 calendar days after the announcement date of such issuance to subscribe for or purchase Ordinary Shares or ADSs) or Section 10.06(c) (in the case of all other Expiring Rights). "**Expiring Rights**" means any rights, options or warrants to purchase Ordinary Shares or ADSs that expire on or prior to the Maturity Date.

For the avoidance of doubt, if any event described in this Section 10.06(a) to Section 10.06(c) (inclusive) results in a change to the number of Class B Ordinary Shares represented by the ADSs, then such a change shall be deemed to satisfy the Company's obligation to adjust the Conversion Rate on account of such event to the extent, but only to the extent, that such change reflects the adjustment to the Conversion Rate that would otherwise have been required on account of such event.

Subject to the foregoing, the Conversion Rate shall be subject to adjustment from time to time, without duplication, upon the occurrence of any of the following events, except that the Company shall not make any adjustments to the Conversion Rate if Holders of the Securities participate (other than in the case of a share split or share combination), at the same time and upon the same terms as holders of the ADSs and solely as a result of holding the Securities, in any of the transactions described in this Section 10.06, without having to convert their Securities, as if they held a number of ADSs equal to the Conversion Rate in effect immediately prior to the effective time for such adjustment, multiplied by the principal amount (expressed in thousands) of Securities held by such Holder.

(a) If the Company issues Ordinary Shares as a dividend or distribution on all Ordinary Shares, or if the Company effects a share split or share combination, the Conversion Rate shall be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{OS'}{OS_0}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Open of Business on the Ex Date of such dividend or distribution, or immediately prior to the Open of Business on the effective date of such share split or share combination, as the case may be;

CR' = the Conversion Rate in effect immediately after the Open of Business on the Ex Date for such dividend or distribution, or immediately after the Open of Business on the effective date of such share split or share combination, as the case may be;

OS_0 = the number of Ordinary Shares outstanding immediately prior to the Open of Business on the Ex Date for such dividend or distribution, or immediately prior to the Open of Business on the effective date of such share split or share combination, as the case may be; and

OS' = the number of Ordinary Shares outstanding immediately after such dividend or distribution, or such share split or share combination, as the case may be.

Any adjustment made under this Section 10.06(a) shall become effective immediately after the Open of Business on the Ex Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such share split or share combination, as the case may be. If any dividend or distribution of the type described in this Section 10.06(a) is declared but not so paid or made, then the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. For the avoidance of doubt, the references to "Ordinary Shares" in "OS0" and "OS1" above include without limitation both Class A Ordinary Shares and Class B Ordinary Shares.

(b) If the Company distributes to all or substantially all holders of the Ordinary Shares or ADSs any rights, options or warrants entitling them, for a period expiring not more than forty-five (45) days immediately following the date of such distribution, to purchase or subscribe for Ordinary Shares or ADSs, at a price per share less than the average of the Closing Sale Prices of the ADSs (in the case of any rights, options or warrants entitling holders thereof to subscribe for or purchase Ordinary Shares, divided by the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period ending on the Trading Day immediately preceding the date of announcement for such distribution, the Conversion Rate shall be increased based on the following formula:

$$CR' = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Open of Business on the Ex Date for such distribution;

CR' = the Conversion Rate in effect immediately after the Open of Business on such Ex Date;

OS_0 = the number of Ordinary Shares outstanding immediately prior to the Open of Business on such Ex Date;

X = the total number of Ordinary Shares issuable pursuant to such rights, options or warrants or, in the case of any rights, options or warrants entitling holders thereof to subscribe for or purchase ADSs, the total number of Class B Ordinary Shares represented by the total number of ADSs issuable pursuant to such rights, options or warrants; and

Y = the number of Ordinary Shares equal to the aggregate price payable to exercise such rights, options or warrants, divided by the average of the Closing Sale Prices of the ADSs (divided by the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period ending on the Trading Day immediately preceding the date of announcement for such distribution.

Any increase made under this Section 10.06(b) shall be made successively whenever any such rights, options or warrants are distributed and shall become effective immediately after the Open of Business on the Ex Date for such distribution. To the extent that Ordinary Shares or ADSs, as the case may be, are not delivered after expiration of such rights, options or warrants, the Conversion Rate shall be readjusted, effective as of the date of such expiration, to the Conversion Rate that would then be in effect had the increase with respect to the distribution of such rights, options or warrants been made on the basis of delivery of only the number of Ordinary Shares or ADSs, as the case may be, actually delivered. If such rights, options or warrants are not so distributed, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make such distribution, to the Conversion Rate that would then be in effect if such Ex Date for such distribution had not occurred. For the avoidance of doubt, the references to "Ordinary Shares" in "OS_0" above include without limitation both Class A Ordinary Shares and Class B Ordinary Shares.

In determining whether any rights, options or warrants entitle the holders to subscribe for or purchase Ordinary Shares or ADSs at less than such average of the Closing Sale Prices (in the case of any rights, options or warrants entitling holders thereof to subscribe for or purchase Ordinary Shares, divided by the number of Class B Ordinary Shares then represented by one ADS) for the ten (10) consecutive Trading Day period ending on the Trading Day immediately preceding the date of announcement for such distribution, and in determining the aggregate offering price of such Ordinary Shares or ADSs, as the case may be, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors. Except in the case of a readjustment of the Conversion Rate pursuant to the immediately preceding paragraph, the Conversion Rate shall not be decreased pursuant to this Section 10.06(b).

(c) If the Company distributes shares of its Capital Stock, evidences of its indebtedness or other of its assets, securities or property or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of Ordinary Shares, but excluding (i) dividends or distributions as to which an adjustment was effected pursuant to Section 10.06(a) or Section 10.06(b), (ii) dividends or distributions paid exclusively in cash as to which an adjustment was effected pursuant to Section 10.06(d), and (iii) Spin-Offs to which the provisions set forth in the latter portion of this Section 10.06(c) shall apply (any of such shares of Capital Stock, indebtedness or other assets, securities or property or rights, options or warrants to acquire its Capital Stock or other securities, the "**Distributed Property**"), then, in each such case the Conversion Rate shall be increased based on the following formula:

$$CR' = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Open of Business on the Ex Date for such distribution;

CR' = the Conversion Rate in effect immediately after the Open of Business on the Ex Date for such distribution;

SP_0 = the average of the Closing Sale Prices of ADSs (divided by the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period ending on the Trading Day immediately preceding the Ex Date for such distribution; and

FMV = the fair market value (as reasonably determined by the Board of Directors in good faith) of the Distributed Property distributable with respect to each outstanding share of Ordinary Shares as of the Open of Business on the Ex Date for such distribution.

If the Board of Directors determines "FMV" for purposes of this Section 10.06(c) by reference to the actual or when issued trading market for any securities, it must in doing so consider the prices in such market over the same period used in computing the Closing Sale Prices over the ten (10) consecutive Trading Day period ending on the Trading Day immediately preceding the Ex Date for such distribution.

Notwithstanding the foregoing, if "FMV" (as defined above) is equal to or greater than the "SP_0" (as defined above), in lieu of the foregoing increase, provision shall be made for each Holder of a Security to receive, for each $1,000 principal amount of Securities it holds, at the same time and upon the same terms as the holders of the ADSs, the amount and kind of Distributed Property that such Holder would have received if such Holder had owned a number of ADSs equal to the Conversion Rate in effect on the Ex Date for such distribution.

Any increase made under the portion of this Section 10.06(c) above shall become effective immediately after the Open of Business on the Ex Date for such distribution. If such distribution is not so paid or made, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make such distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

With respect to an adjustment pursuant to this Section 10.06(c) where there has been a payment of a dividend or other distribution on the Ordinary Shares of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Company, where such Capital Stock or similar equity interest is listed or quoted (or will be listed or quoted upon consummation of the transaction) on a U.S. national securities exchange (a "**Spin-Off**"), the Conversion Rate shall be increased based on the following formula:

$$CR' = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Close of Business on the last Trading Day of the Valuation Period;

CR' = the Conversion Rate in effect immediately after the Close of Business on the last Trading Day of the Valuation Period;

FMV_0 = the average of the Closing Sale Prices of the Capital Stock or similar equity interest distributed to holders of the Ordinary Shares applicable to one Ordinary Share (determined for purposes of the definition of Closing Sale Price as set forth in Section 1.01 as if such Capital Stock or similar equity interest were ADSs) over the ten (10) consecutive Trading Days immediately following, and including, the Ex Date for a Spin-Off (the "**Valuation Period**"); and

MP_0 = the average of the Closing Sale Prices of the ADSs (divided by the number of Class B Ordinary Shares then represented by one ADS) over the Valuation Period.

The increase to the Conversion Rate under the preceding paragraph shall be determined on the last Trading Day of the Valuation Period but will be given effect immediately after the open of business on the Ex Date for the Spin-Off; *provided* that, for purposes of determining the Conversion Rate, in respect of any conversion during the Valuation Period, the reference within the portion of this Section 10.06(c) related to Spin-Offs to ten (10) consecutive Trading Days shall be deemed replaced with such lesser number of consecutive Trading Days as have elapsed between the Ex Date for such Spin-Off and the relevant Conversion Date, except that if such Conversion Date occurs on or after the Ex Date for the Spin-Off and on or prior to the record date for the Spin-Off and the converting Holder would be treated as the record holder of ADSs as of the related Conversion Date (if the Company elects to satisfy the related Conversion Obligation by Physical Settlement) or the last Trading Day of the relevant Observation Period (if the Company elects to satisfy the related Conversion Obligation by Combination Settlement and such election is agreed by the converting Holder in accordance with Section 10.02(a)(i)), as the case may be, based on an adjusted Conversion Rate for such Ex Date, then, notwithstanding the foregoing Conversion Rate adjustment provisions, the Conversion Rate adjustment for such Ex Date will not be made for such converting Holder and such Holder shall be treated as if such Holder were the record owner of the ADSs on an un-adjusted basis and participate in the Spin-Off.

Subject in all respects to Section 10.13, rights, options or warrants distributed by the Company to all holders of its Ordinary Shares entitling the holders thereof to subscribe for or purchase shares of the Company's Capital Stock, including Ordinary Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Ordinary Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Ordinary Shares, shall be deemed not to have been distributed for purposes of this Section 10.06(c) (and no adjustment to the Conversion Rate under this Section 10.06(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 10.06(c). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Ex Date with respect to new rights, options or warrants with such rights (and a termination or expiration of the existing rights, options or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 10.06(c) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Ordinary Shares with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Ordinary Shares as of the date of such redemption or repurchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued.

For purposes of Section 10.06(a), Section 10.06(b) and this Section 10.06(c), any dividend or distribution to which this Section 10.06(c) is applicable that also includes one or both of:

(A) a dividend or distribution of Ordinary Shares to which Section 10.06(a) is applicable (the "**Clause A Distribution**"); or

(B) a dividend or distribution of rights, options or warrants to which Section 10.06(b) is applicable (the "**Clause B Distribution**"),

then (1) such dividend or distribution, other than the Clause A Distribution and Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 10.06(c) is applicable (the "**Clause C Distribution**") and any Conversion Rate adjustment required by this Section 10.06(c) with respect to such Clause C Distribution shall then be made and (2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 10.06(a) and Section 10.06(b) with respect thereto shall then be made, except that, if determined by the Board of Directors, the Ex Date of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Ex Date of the Clause C Distribution and any Ordinary Shares included in the Clause A Distribution or Clause B Distribution shall be deemed not to be "outstanding immediately prior to the Close of Business on the Ex Date for such dividend or distribution, or immediately after the Open of Business on the effective date of such share split or share combination, as the case may be" within the meaning of Section 10.06(a) or "outstanding immediately prior to the Close of Business on the Ex Date for such distribution" within the meaning of Section 10.06(b).

Except in the case of a readjustment of the Conversion Rate pursuant to the last sentence of either the fourth or seventh paragraph of this Section 10.06(c), the Conversion Rate shall not be decreased pursuant to this Section 10.06(c).

(d) If any cash dividend or distribution is made to all or substantially all holders of the Ordinary Shares, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Open of Business on the Ex Date for such dividend or distribution;

CR' = the Conversion Rate in effect immediately after the Open of Business on the Ex Date for such dividend or distribution;

SP_0 = the average of the Closing Sale Prices of the ADSs (divided by the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period immediately preceding the Ex Date for such dividend or distribution; and

C = the amount in cash per Ordinary Share the Company distributes to holders of its Ordinary Shares.

Such increase shall become effective immediately after the Close of Business on the Ex Date for such dividend or distribution.

Notwithstanding the foregoing, if "C" (as defined above) is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, provision shall be made for each Holder of a Security to receive, for each $1,000 principal amount of Securities it holds, at the same time and upon the same terms as holders of ADSs, the amount of cash such Holder would have received as if such Holder owned a number of ADSs equal to the Conversion Rate on the Ex Date for such cash dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

Except in the case of a readjustment of the Conversion Rate pursuant to the last sentence of the immediately preceding paragraph, the Conversion Rate shall not be decreased pursuant to this Section 10.06(d).

(e) If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for the Ordinary Shares or ADSs, if the cash and value of any other consideration included in the payment per Ordinary Share or ADS exceeds the average of the Closing Sale Prices of the ADSs (in the case of a tender or exchange offer for Ordinary Shares, *divided by* the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be increased based on the following formula:

$$CR' = CR_0 \times \frac{AC + (SP' \times OS')}{OS_0 \times SP'}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the Close of Business on the last Trading Day of the ten (10) consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires;

CR' = the Conversion Rate in effect immediately after the Close of Business on the last Trading Day of the ten (10) consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires;

AC = the aggregate value of all cash and any other consideration (as reasonably determined by the Board of Directors in good faith) paid or payable for Ordinary Shares or ADSs, as the case may be, purchased in such tender or exchange offer;

OS_0 = the number of Ordinary Shares outstanding immediately prior to the date such tender or exchange offer expires (prior to giving effect to such tender offer or exchange offer);

OS' = the number of Ordinary Shares outstanding immediately after the date such tender or exchange offer expires (after giving effect to such tender offer or exchange offer); and

SP' = the average of the Closing Sale Prices of the ADSs (divided by the number of Class B Ordinary Shares then represented by one ADS) over the ten (10) consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires.

The increase to the Conversion Rate under this Section 10.06(c) shall occur at the Close of Business on the tenth (10th) Trading Day immediately following, and including, the Trading Date next succeeding the date such tender or exchange offer expires; *provided* that, for purposes of determining the Conversion Rate, in respect of any conversion during the ten (10) Trading Days immediately following, but excluding, the date that any such tender or exchange offer expires, references in this Section 10.06(e) to ten (10) consecutive Trading Days shall be deemed to be replaced with such lesser number of consecutive Trading Days as have elapsed between the date such tender or exchange offer expires and the relevant Conversion Date. If the Company or one of its Subsidiaries is obligated to purchase the Ordinary Shares or ADSs pursuant to any such tender or exchange offer but the Company or such Subsidiary is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Rate shall be immediately decreased to the Conversion Rate that would be in effect if such tender or exchange offer had not been made. For the avoidance of doubt, the references to "Ordinary Shares" in "OS_0" and "OS'" above include without limitation both Class A Ordinary Shares and Class B Ordinary Shares.

Except in the case of a readjustment of the Conversion Rate pursuant to the last sentence of the immediately preceding paragraph, the Conversion Rate shall not be decreased pursuant to this Section 10.06(e).

(f) In addition to the foregoing adjustments in subsections (a), (b), (c), (d) and (e) above, and to the extent permitted by applicable law and any applicable securities exchange rules, the Company may, from time to time and to the extent permitted by law, increase the Conversion Rate by any amount for a period of at least twenty (20) Business Days or any longer period as may be permitted or required by law, if the Board of Directors has made a determination, which determination shall be conclusive, that such increase would be in the best interests of the Company. Such Conversion Rate increase shall be irrevocable during such period. The Company shall give notice to the Trustee and cause notice of such increase to be mailed to each Holder of Securities at such Holder's address as the same appears on the registry books of the Registrar, at least fifteen (15) days prior to the date on which such increase commences.

(g) All calculations under this Article 10 shall be made to the nearest cent or to the nearest 1/10,000th of a share, as the case may be. Adjustments to the Conversion Rate will be calculated to the nearest 1/10,000th.

(h) Notwithstanding any of the foregoing, the Company will not initiate any transaction set forth in this Section 10.06 unless such transaction is in compliance with applicable law and the applicable rules of the principal securities exchange on which the Ordinary Shares are then listed.

(i) Notwithstanding this Section 10.06 or any other provision of this Indenture or the Securities if a Conversion Rate adjustment becomes effective on any Ex Date, and a Holder that has converted its Securities on or after such Ex Date and on or prior to the related record date would be treated as the record holder of the ADSs as of the related Conversion Date as described under Section 10.02(b) based on an adjusted Conversion Rate for such Ex Date, then, notwithstanding the Conversion Rate adjustment provisions in this Section 10.06, the Conversion Rate adjustment relating to such Ex Date shall not be made for such converting Holder. Instead, such Holder shall be treated as if such Holder were the record owner of the ADSs on an unadjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

(j) Notwithstanding this Section 10.06 or any other provision of this Indenture or the Securities, if a Holder converts a Security, Combination Settlement is applicable to such Security and the Daily Settlement Amount for any Trading Day during the Observation Period applicable to such Security (x) is calculated based on a Conversion Rate adjusted on account of any event described in clauses (a), (b), (c), (d) and (e) of this Section 10.06 and (y) includes any ADSs that entitle their holder to participate in such event, then, notwithstanding the Conversion Rate adjustment provisions in this Section 10.06, the Conversion Rate adjustment relating to such event will not be made for such converting Holder for such Trading Day. Instead, such Holder will be treated as if such Holder were the record owner of the ADSs on an unadjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

(k) For purposes of this Section 10.06, "**effective date**" means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

Section 10.07 *No Adjustment*. The Conversion Rate shall not be adjusted for any transaction or event other than for any transaction or event described in this Article 10. Without limiting the foregoing, the Conversion Rate shall not be adjusted:

(i) upon the issuance of any Ordinary Shares or ADSs pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities;

(ii) upon the issuance of any Ordinary Shares, ADSs, restricted stock or restricted stock units, non-qualified stock options, incentive stock options or any other options or rights (including stock appreciation rights) to purchase Ordinary Shares or ADSs pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, the Company or any of its Subsidiaries;

(iii) upon the issuance of any Ordinary Shares or ADSs pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (ii) above and outstanding as of the date the Securities were first issued;

(iv) for accrued and unpaid interest, including any Additional Interest, if any;

(v) a change solely in the par value of the Ordinary Shares;

(vi) upon the repurchase of any Ordinary Shares or ADSs pursuant to an open-market share repurchase program or other buy-back transaction that is not a tender offer or exchange offer of the nature described in Section 10.06(e); or

(vii) for the sale or issuance of new Ordinary Shares, ADSs or securities convertible into or exercisable for Ordinary Shares or ADSs for cash, including at a price per share less than the fair market value thereof or the Conversion Price or otherwise, except as described in Section 10.06.

No adjustment in the Conversion Rate pursuant to Section 10.06(a) through Section 10.06(e) shall be required until cumulative adjustments amount to one percent (1%) or more of the Conversion Rate as last adjusted (or, if never adjusted, the initial Conversion Rate); *provided*, *however*, that any adjustments to the Conversion Rate which by reason of this paragraph are not required to be made shall be carried forward and taken into account (i) in any subsequent adjustment to the Conversion Rate, (ii) on the occurrence of any Fundamental Change or Make-Whole Fundamental Change, and (iii) on each Trading Day of any Observation Period; *provided further* that if the Securities have been converted pursuant to Section 10.01, then, in each case, any adjustments to the Conversion Rate that have been, and at such time remain, deferred pursuant to this Section 10.07 shall be given effect, and such adjustments, if any, shall no longer be carried forward and taken into account in any subsequent adjustment to the Conversion Rate.

No adjustment to the Conversion Rate need be made pursuant to Section 10.06 for a transaction (other than for share splits or share combinations pursuant to Section 10.06(a)) if the Company makes provision for each Holder to participate in the transaction, at the same time and upon the same terms as holders of ADSs participate in such transaction, without conversion, as if such Holder held a number of ADSs equal to the Conversion Rate in effect on the Ex Date or effective date, as applicable, of the transaction (without giving effect to any adjustment pursuant to Section 10.06 on account of such transaction), *multiplied by* principal amount (expressed in thousands) of Securities held by such Holder.

Section 10.08 *Other Adjustments*. Whenever any provision of this Indenture requires the computation of an average of the Closing Sale Prices, the Daily VWAPs, the Daily Conversion Values or the Daily Settlement Amounts over a period of multiple Trading Days (including an Observation Period and the period for determining the Applicable Price for purposes of a Make-Whole Fundamental Change), the Board of Directors, in its good faith determination, shall appropriately adjust such average to account for any event requiring, pursuant hereto, an adjustment to the Conversion Rate where the effective date, Ex Date or expiration date of such event occurs at any time on or after the first Trading Day of such period and on or prior to the last Trading Day of such period.

Section 10.09 *Adjustments for Tax Purposes*. Except as prohibited by law the Company may (but is not obligated to) increase the Conversion Rate, in addition to those required by Section 10.06 hereof, as it determines to be advisable in order that any stock dividend, subdivision of shares, distribution of rights to purchase stock or securities or distribution of securities convertible into or exchangeable for stock made by the Company or to its shareholders will not be taxable to the recipients thereof or in order to avoid or diminish any such taxation.

Section 10.10 *Notice of Adjustment*. Whenever the Conversion Rate is adjusted, the Company shall promptly deliver to Holders at the addresses appearing on the Registrar's books a notice of the adjustment and file with the Trustee an Officer's Certificate briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence of the correctness of such adjustment.

Section 10.11 *Effect of Reclassifications, Consolidations, Mergers, Binding Share Exchanges or Sales on Conversion Privilege*. If the Company:

(a) reclassifies the Ordinary Shares (other than a change as a result of a subdivision or combination of Ordinary Shares to which Section 10.06(a) applies);

(b) is party to a consolidation, merger, binding share exchange, amalgamation, scheme of arrangement or scheme of reconstruction; or

(c) sells, transfers, leases, conveys or otherwise disposes of all or substantially all of the consolidated property or assets of the Company,

in each case, pursuant to which the ADSs would be converted into or exchanged for, or would constitute solely the right to receive, cash, securities or other property (any such event, a "**Merger Event**"), each $1,000 principal amount of converted Securities will, from and after the effective time of such Merger Event, be convertible into the same kind, type and proportions of consideration that a holder of a number of ADSs equal to the Conversion Rate in effect immediately prior to such Merger Event would have received in such Merger Event ("**Reference Property**") and, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture permitted under Section 9.01(a) providing for such change in the right to convert the Securities; *provided*, however, that at and after the effective time of the Merger Event (A) any amount payable in cash upon conversion of the Securities in accordance with Section 10.02 shall continue to be payable in cash, (B) any ADSs that the Company would have been required to deliver upon conversion of the Securities in accordance with Section 10.02 shall instead be deliverable in the amount and type of Reference Property that a holder of that number of ADSs would have received in such Merger Event and (C) the Daily VWAP shall be calculated based on the value of a unit of Reference Property.

If the Merger Event causes the ADSs to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then (i) the Reference Property into which the Securities will be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of ADSs that affirmatively make such an election and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one ADS. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made. If the holders receive only cash in such Merger Event, then for all conversions that occur after the effective date of such Merger Event (A) the consideration due upon conversion of each $1,000 principal amount of Securities shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date (as may be increased pursuant to Section 10.14 if such Merger Event constitutes a Make-Whole Fundamental Change), multiplied by the price paid per ADS in such Merger Event and (B) the Company shall satisfy its Conversion Obligation by paying cash to converting Holders on the third Business Day immediately following the relevant Conversion Date. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made.

The supplemental indenture referred to in the first sentence of this Section 10.11 shall provide for adjustments to the Conversion Rate that shall be as nearly equivalent as may be practicable to the adjustments of the Conversion Rate provided for in this Article 10 and for the delivery of cash by the Company in lieu of fractional securities or property that would otherwise be deliverable to holders upon Conversion as part of the Reference Property, with such amount of cash determined by the Board of Directors in a manner as nearly equivalent as may be practicable to that used by the Company to determine the Closing Sale Price of the ADSs. The provisions of this Section 10.11 shall similarly apply to successive consolidations, mergers, binding share exchanges, sales, transfers, leases, conveyances or dispositions.

The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 10.11.

None of the foregoing provisions shall affect the right of a Holder to convert its Securities into ADSs (and cash in lieu of any fractional ADSs) as set forth in Section 10.01 and Section 10.02 prior to the effective date of such Merger Event.

In the event the Company shall execute a supplemental indenture pursuant to this Section 10.11, the Company shall promptly file with the Trustee an Officer's Certificate briefly stating the reasons therefor, the kind or amount of Reference Property receivable by Holders of the Securities upon the conversion of their Securities after any such Merger Event and any adjustment to be made with respect thereto.

Section 10.12 *Trustee's Disclaimer*. The Trustee and any other Conversion Agent shall have no duty to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require that any adjustment under this Article 10 should be made, how it should be made or what such adjustment should be, but may accept as conclusive evidence of the correctness of any such adjustment, and shall be protected in relying upon, the Officer's Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 10.10 hereof. Neither the Trustee nor any other Conversion Agent makes any representation as to the validity or value of any securities or assets issued upon conversion of Securities, and neither the Trustee nor any other Conversion Agent shall be responsible for the failure by the Company to comply with any provisions of this Article 10.

The Trustee shall not be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture executed pursuant to Section 10.11, but may accept as conclusive evidence of the correctness thereof, and shall be protected in relying upon, the Officer's Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 10.10 hereof.

Section 10.13 *Rights Distributions Pursuant to Shareholders' Rights Plans*. To the extent that the Company adopts a rights plan (i.e., a poison pill) and such plan is in effect upon conversion of any Security or a portion thereof, the Company shall make provision such that each Holder thereof shall receive, in addition to, and concurrently with the delivery of, the ADSs due upon conversion, the rights described in such plan, unless the rights have separated from the Ordinary Shares before the time of conversion, in which case the Conversion Rate shall be adjusted at the time of separation as if the Company distributed to all holders of Ordinary Shares, Distributed Property as described in Section 10.06(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

Section 10.14 *Increased Conversion Rate Applicable to Certain Securities Surrendered in Connection with Make-Whole Fundamental Changes*. (a) Notwithstanding anything herein to the contrary but subject to Section 10.14(g), the Conversion Rate applicable to each Security that is surrendered for conversion, in accordance with this Article 10, at any time during the period (the "**Make-Whole Conversion Period**") from, and including, the effective date (the "**Effective Date**") of a Make-Whole Fundamental Change (which Effective Date the Company shall disclose in the written notice referred to in Section 10.14(d)) (A) to, and including, the Close of Business on the date that is thirty (30) Business Days after the later of (i) such Effective Date and (ii) the date the Company mails to Holders the relevant notice of the Effective Date or (B) if such Make-Whole Fundamental Change also constitutes a Fundamental Change, to, and including, the Close of Business on the Fundamental Change Repurchase Date corresponding to such Fundamental Change, shall be increased to an amount equal to the Conversion Rate that would, but for this Section 10.14, otherwise apply to such Security pursuant to this Article 10, plus (x) with respect to any Security that is not a SLP Security or a HH Security, an amount equal to the Make-Whole Applicable Increase, or (y) with respect to any SLP Security or any HH Security, an amount equal to the SLP/HH Make-Whole Applicable Increase.

(i) As used herein, "**Make-Whole Applicable Increase**" shall mean, with respect to a Make-Whole Fundamental Change, the amount, set forth in the following table, which corresponds to the Effective Date and the Applicable Price of such Make-Whole Fundamental Change:

	Applicable Price										
Effective Date	$ 45.00	$ 50.00	$ 55.00	$ 60.00	$ 65.00	$ 70.00	$ 75.00	$ 80.00	$ 85.00	$ 90.00	$ 95.00
17-Jun-15	5.1898	4.0956	3.2526	2.5939	2.0720	1.6534	1.3141	1.0394	0.8169	0.6325	0.4854
17-Jun-16	5.2199	4.0954	3.2338	2.5632	2.0345	1.6135	1.2750	1.0008	0.7780	0.5989	0.4522
17-Jun-17	5.2677	4.1021	3.2128	2.5270	1.9885	1.5616	1.2224	0.9504	0.7313	0.5544	0.4120
17-Jun-18	5.2943	4.0767	3.1519	2.4481	1.9006	1.4716	1.1333	0.8652	0.6521	0.4824	0.3484
17-Jun-19	5.2219	3.9289	2.9652	2.2449	1.6922	1.2720	0.9474	0.6957	0.5009	0.3508	0.2361
17-Jun-20	4.8882	3.4841	2.4720	1.7457	1.2192	0.8371	0.5620	0.3638	0.2218	0.1244	0.0588
17-Jun-21	4.0404	1.8182	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

1

provided, however, that:

(A) if the actual Applicable Price of such Make-Whole Fundamental Change is between two (2) Applicable Prices listed in the table above under the column titled "Applicable Price," or if the actual Effective Date of such Make-Whole Fundamental Change is between two Effective Dates listed in the table above in the row immediately below the title "Effective Date," then the Make-Whole Applicable Increase for such Make-Whole Fundamental Change shall be determined by linear interpolation between the Make-Whole Applicable Increases set forth for such higher and lower Applicable Prices, or for such earlier and later Effective Dates based on a three hundred and sixty five (365) day year, as applicable;

(B) if the actual Applicable Price of such Make-Whole Fundamental Change is greater than $95 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(i)(C)), then the Make-Whole Applicable Increase shall be determined jointly by the Company and the converting Holder on a best efforts basis using the agreed form Goldman Sachs' QuoteTool convertible bond pricing model dated on the date of this Indenture and with the same set of assumptions used for any extension to the model or if the actual Applicable Price of such Make-Whole Fundamental Change is less than $45 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(i)(C)), then the Make-Whole Applicable Increase shall be obtained by reference to the amount that corresponds to a Applicable Price of $45;

(C) if an event occurs that requires, pursuant to this Article 10 (other than solely pursuant to this Section 10.14), an adjustment to the Conversion Rate, then, on the date and at the time such adjustment is so required to be made, each Applicable Price set forth in the table above under the column titled "Applicable Price" shall be deemed to be adjusted so that such Applicable Price, at and after such time, shall be equal to the product of (A) such Applicable Price as in effect immediately before such adjustment to such Applicable Price and (B) a fraction the numerator of which is the Conversion Rate in effect immediately before such adjustment to the Conversion Rate and the denominator of which is the Conversion Rate to be in effect, in accordance with this Article 10, immediately after such adjustment to the Conversion Rate; and

[1] This matrix is based on a target closing date of June 17, 2015, references to Effective Date will be adjusted to anniversaries of the actual closing date

(D) each Make-Whole Applicable Increase amount set forth in the table above shall be adjusted in the same manner, for the same events and at the same time as the Conversion Rate is required to be adjusted pursuant to Section 10.06 through Section 10.13.

(ii) As used herein, "**SLP/HH Make-Whole Applicable Increase**" shall mean, with respect to a Make-Whole Fundamental Change, the amount, set forth in the following table, which corresponds to the Effective Date and the Applicable Price of such Make-Whole Fundamental Change:

	Applicable Price										
Effective Date	$ 45.00	$ 50.00	$ 55.00	$ 60.00	$ 65.00	$ 70.00	$ 75.00	$ 80.00	$ 85.00	$ 90.00	$ 95.00
17-Jun-15	5.1898	4.0956	3.2526	2.5939	2.0720	1.6534	1.3141	1.0394	0.8169	0.6325	0.4854
17-Jun-16	6.3293	4.0954	3.2338	2.5632	2.0345	1.6135	1.2750	1.0008	0.7780	0.5989	0.4522
17-Jun-17	8.9011	6.1928	3.9769	2.5270	1.9885	1.5616	1.2224	0.9504	0.7313	0.5544	0.4120
17-Jun-18	11.7908	8.7935	6.3412	4.2976	2.5684	1.4716	1.1333	0.8652	0.6521	0.4824	0.3484
17-Jun-19	15.0376	11.7156	8.9977	6.7327	4.8162	3.1735	1.7498	0.6957	0.5009	0.3508	0.2361
17-Jun-20	18.6857	14.9990	11.9825	9.4688	7.3419	5.5187	3.9387	2.5562	1.3363	0.2520	0.0588
17-Jun-21	22.7848	18.6881	15.3363	12.5431	10.1797	8.1539	6.3981	4.8619	3.5064	2.3015	1.2234

[2]

provided, however, that:

(A) if the actual Applicable Price of such Make-Whole Fundamental Change is between two (2) Applicable Prices listed in the table above under the column titled "Applicable Price," or if the actual Effective Date of such Make-Whole Fundamental Change is between two Effective Dates listed in the table above in the row immediately below the title "Effective Date," then the SLP/HH Make-Whole Applicable Increase for such Make-Whole Fundamental Change shall be determined by linear interpolation between the SLP/HH Make-Whole Applicable Increases set forth for such higher and lower Applicable Prices, or for such earlier and later Effective Dates based on a three hundred and sixty five (365) day year, as applicable;

(B) if the actual Applicable Price of such Make-Whole Fundamental Change is greater than $95 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(ii)(C)), or if the actual Applicable Price of such Make-Whole Fundamental Change is less than $45 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(ii)(C)), then the SLP/HH Make-Whole Applicable Increase shall be determined jointly by the Company and the converting Holder on a best efforts basis using the agreed form Goldman Sachs' QuoteTool convertible bond pricing model dated on the date of this Indenture and with the same set of assumptions used for any extension to the model;

[2] This matrix is based on a target closing date of June 17, 2015, references to Effective Date will be adjusted to anniversaries of the actual closing date.

(C) if an event occurs that requires, pursuant to this Article 10 (other than solely pursuant to this Section 10.14), an adjustment to the Conversion Rate, then, on the date and at the time such adjustment is so required to be made, each Applicable Price set forth in the table above under the column titled "Applicable Price" shall be deemed to be adjusted so that such Applicable Price, at and after such time, shall be equal to the product of (A) such Applicable Price as in effect immediately before such adjustment to such Applicable Price and (B) a fraction the numerator of which is the Conversion Rate in effect immediately before such adjustment to the Conversion Rate and the denominator of which is the Conversion Rate to be in effect, in accordance with this Article 10, immediately after such adjustment to the Conversion Rate; and

(D) each SLP/HH Make-Whole Applicable Increase amount set forth in the table above shall be adjusted in the same manner, for the same events and at the same time as the Conversion Rate is required to be adjusted pursuant to Section 10.06 through Section 10.13.

(b) Subject to Section 10.11, upon surrender of Securities for conversion in connection with a Make-Whole Fundamental Change, the Company shall, at its sole option and discretion, satisfy the related Conversion Obligation by Physical Settlement or Combination Settlement in accordance with Section 10.02; *provided*, *however*, that if at the effective time of a Make-Whole Fundamental Change described in clause (b) of the definition of Change in Control the consideration for the Ordinary Shares or ADSs is composed entirely of cash, for any conversion of Securities following the Effective Date of such Make-Whole Fundamental Change, the Conversion Obligation shall be calculated based solely on the Applicable Price for the transaction and shall be deemed to be an amount equal to, per $1,000 principal amount of converted Securities, the Conversion Rate (including any Make-Whole Applicable Increase or SLP Make-Whole Applicable Increase, as the case may be), *multiplied by* such Applicable Price. In such event, the Conversion Obligation will be determined and shall be paid to Holders in cash on the third Business Day following the Conversion Date.

(c) As used herein, "**Applicable Price**" shall have the following meaning with respect to a Make-Whole Fundamental Change: (i) if such Make-Whole Fundamental Change is a transaction or series of transactions described in clause (b) of the definition of Change in Control (without regard to the exclusion set forth therein) and the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for Ordinary Shares or ADSs in such Make-Whole Fundamental Change consists solely of cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the cash amount paid per ADS in such Make-Whole Fundamental Change and, (ii) if such Make-Whole Fundamental Change is a transaction or series of transaction described in clause (c) of the definition of Fundamental Change, or clause (a) or (c) of the definition of "Change in Control" and the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for Ordinary Shares or ADSs in such Make-Whole Fundamental Change consists solely of cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the lower of (x) cash amount paid per ADS in such Make-Whole Fundamental Change (or in the case of a series of transactions, the volume-weighted average cash amount paid per ADS in such series of transactions that occurred during the two-month period immediately prior the Effective Time of such Make-Whole Fundamental Change), and (y) the average of the Closing Sale Prices per ADS for the five (5) consecutive Trading Days immediately preceding, but excluding, the Effective Date of such Make-Whole Fundamental Change, which average shall be appropriately adjusted by the Board of Directors, in its good faith determination, to account for any adjustment, pursuant hereto, to the Conversion Rate that shall become effective, or any event requiring, pursuant hereto, an adjustment to the Conversion Rate where the Ex Date of such event occurs, at any time during such five (5) consecutive Trading Days (as adjusted, the "**Reference Per ADS Price**"), and (iii) in all other circumstances, the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the Reference Per ADS Price.

(d) The Company shall deliver to each Holder (with a copy to the Trustee and the Conversion Agent), in accordance with Section 13.01, written notice of the Effective Date of the Make-Whole Fundamental Change within ten (10) days of such Effective Date. Each such notice shall also state that, in connection with such Make-Whole Fundamental Change, the Company shall increase, in accordance herewith, the Conversion Rate applicable to Securities entitled as provided herein to such increase (along with a description of how such increase shall be calculated and the time periods during which Securities must be surrendered in order to be entitled to such increase, including, without limitation, the last day of the Make-Whole Conversion Period).

(e) For avoidance of doubt, the provisions of this Section 10.14 shall not affect or diminish the Company's obligations, if any, pursuant to Article 3 with respect to a Make-Whole Fundamental Change that also constitutes a Fundamental Change.

(f) Nothing in this Section 10.14 shall prevent an adjustment to the Conversion Rate pursuant to Section 10.06 in respect of a Make-Whole Fundamental Change.

(g) In the event that (a) in connection with a Make-Whole Fundamental Change, a Holder of any SLP Security or HH Security elects to convert any SLP Security or HH Security during the Make-Whole Conversion Period pursuant to Section 10.14(a) (unless such Holder elects to opt out of the Make-Whole Fundamental Change on the relevant Conversion Notice, in which case Section 10.14 shall not apply to such Holder in connection with such Make-Whole Fundamental Change), and (b) the SLP/HH Make-Whole Applicable Increase is greater than the Make-Whole Applicable Increase for such Make-Whole Fundamental Change, then, notwithstanding Section 10.02 and Section 10.14(b) (but the proviso therein shall continue to apply), the following settlement procedure with respect to such conversion shall apply:

(i) The Company shall deliver a Settlement Notice (with a copy to the Trustee and the Conversion Agent), to the converting Holder no later than the Close of Business on the Trading Day immediately (or in the case of Global Securities, no later than the Close of Business on the third Trading Day) following the relevant Conversion Date. If the Company does not elect a Settlement Method (or if it elects Combination Settlement but fails to specify the Cash Settlement Percentage) prior to the deadline set forth in the immediately preceding sentence, the Company shall no longer have the right to elect Combination Settlement and the Company shall be deemed to have elected Physical Settlement in respect of its Conversion Obligation. In the event that the Company elects Combination Settlement on the Settlement Notice, it shall also specify a number, expressed in percentage (the "**Cash Settlement Percentage**"). In such event, the definition of "Daily Settlement Amount" shall be amended as follows:

"**Daily Settlement Amount**" for each of the 20 consecutive Trading Days during the Observation Period, shall consist of:

(A) cash in an amount equal to the product of (i) Cash Settlement Percentage, and (ii) the Daily Conversion Value, on such Trading Day; and

(B) a number of ADSs equal to (i) the product of (x) (1-Cash Settlement Percentage) and (y) the Daily Conversion Value, divided by (ii) the Daily VWAP for such Trading Day.

(ii) Notwithstanding Section 10.14(g)(i), in the event that the Company elects Combination Settlement on the Settlement Notice, the converting Holder shall be entitled to, at its sole election, withdraw its election to convert the SLP Securities or HH Securities, as the case may be, in whole or in part, by written notice to the Company (with a copy to the Trustee and the Conversion Agent) at any time before the 20th Business Day after the date of delivery of the Settlement Notice to such Holder. In such event, only the part of the SLP Securities or HH Securities with respect to which the election to convert has not been withdrawn by such Holder (if any) shall be subject to the Combination Settlement by the Company as described in this Section 10.14(g).

(iii) Except as expressly modified in this Section 10.14(g), Sections 10.2 shall continue to apply for purpose of this Section 10.14(g).

ARTICLE 11
CONCERNING THE HOLDERS

Section 11.01 *Action by Holders*. Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Securities may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced (i) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, (ii) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Article 12 or (iii) by a combination of such instrument or instruments and any such record of such a meeting of Holders. Whenever the Company or the Trustee solicits the taking of any action by the Holders of the Securities, the Company or the Trustee may fix, but shall not be required to, in advance of such solicitation, a date as the record date for determining Holders entitled to take such action. The record date if one is selected shall be not more than fifteen (15) days prior to the date of commencement of solicitation of such action.

Section 11.02 *Proof of Execution by Holders*. Subject to the provisions of Section 7.01, Section 7.02 and Section 12.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Securities shall be proved by the security register of the Registrar or by a certificate of the Registrar. The record of any Holders' meeting shall be proved in the manner provided in Section 12.06.

Section 11.03 *Persons Deemed Absolute Owners.* The Company, the Trustee, any authenticating agent, any Paying Agent, any Conversion Agent and any Registrar may deem the Person in whose name a Security shall be registered upon the security register of the Registrar to be, and may treat it as, the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Registrar) for the purpose of receiving payment of or on account of the principal of and (subject to Section 2.12 and Section 4.01) accrued and unpaid interest on such Security, or the Fundamental Change Repurchase Price, if applicable, for conversion of such Security and for all other purposes; and neither the Company nor the Trustee nor any authenticating agent nor any Paying Agent nor any Conversion Agent nor any Registrar shall be affected by any notice to the contrary. All such payments so made to any Holder for the time being, or upon its order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Security. Notwithstanding anything to the contrary in this Indenture or the Securities following an Event of Default, any Holder of a beneficial interest in a Global Security may directly enforce against the Company, without the consent, solicitation, proxy, authorization or any other action of the Depositary or any other Person, such Holder's right to exchange such beneficial interest for a Physical Security in accordance with the provisions of this Indenture.

ARTICLE 12
HOLDERS' MEETINGS

Section 12.01 *Purpose of Meetings.* A meeting of Holders may be called at any time and from time to time pursuant to the provisions of this Article 12 for any of the following purposes:

(a) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any Default or Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article 6;

(b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 7;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 9.02; or

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities under any other provision of this Indenture or under applicable law.

Section 12.02 *Call of Meetings by Trustee.* The Trustee may at any time call a meeting of Holders to take any action specified in Section 12.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 11.01, shall be sent to Holders of such Securities at their addresses as they shall appear on the security register of the Registrar. Such notice shall also be mailed to the Company. Such notices shall be sent not less than twenty (20) nor more than ninety (90) days prior to the date fixed for the meeting.

Any meeting of Holders shall be valid without notice if the Holders of all Securities then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the Holders of all Securities outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 12.03 *Call of Meetings by Company or Holders.* In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Securities then outstanding, shall have requested the Trustee to call a meeting of Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have sent the notice of such meeting within twenty (20) days after receipt of such request, then the Company or such Holders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 12.01, by mailing notice thereof as provided in Section 12.02.

Section 12.04 *Qualifications for Voting.* To be entitled to vote at any meeting of Holders a Person shall (a) be a Holder of one or more Securities on the record date pertaining to such meeting or (b) be a Person appointed by an instrument in writing as proxy by a Holder of one or more Securities on the record date pertaining to such meeting. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 12.05 *Regulations.* Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 12.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in aggregate principal amount of the Securities represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 2.09, at any meeting of Holders each Holder or proxyholder shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by such Holder or proxyholder, as the case may be; *provided*, *however*, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by it or instruments in writing as aforesaid duly designating it as the proxy to vote on behalf of other Holders. Any meeting of Holders duly called pursuant to the provisions of Section 12.02 or Section 12.03 may be adjourned from time to time by the Holders of a majority of the aggregate principal amount of Securities represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Section 12.06 *Voting*. The vote upon any resolution submitted to any meeting of Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the outstanding principal amount of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 12.02. The record shall show the principal amount of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 12.07 *No Delay of Rights by Meeting*. Nothing contained in this Article 12 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Securities.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *Notices*. Any notice or communication by the Company or the Trustee to the other shall be deemed to be duly given if made in writing and delivered:

(a) by hand (in which case such notice shall be effective upon delivery);

(b) by facsimile (in which case such notice shall be effective upon receipt of confirmation of good transmission thereof); or

(c) by overnight delivery by a nationally recognized courier service (in which case such notice shall be effective on the Business Day immediately after being deposited with such courier service),

in each case to the recipient party's address or facsimile number, as applicable, set forth in this Section 13.01. The Company or the Trustee by notice to the other may designate additional or different addresses or facsimile numbers for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed to its address shown on the register kept by the Registrar, or in the case of Global Securities, delivered electronically in accordance with the applicable procedures of the Depositary. Failure to send a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner *provided* above, it is duly given, whether or not the addressee receives it.

If the Company delivers a notice or communication to Holders, it shall deliver a copy to the Trustee and each Securities Agent at the same time. If the Trustee or the Securities Agent is required, pursuant to the express terms of this Indenture or the Securities, to send a notice or communication to Holders, the Trustee or the Securities Agent, as the case may be, shall also send a copy of such notice or communication to the Company.

All notices or communications shall be in writing.

The Company's address is:

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao
Facsimile No.: +86 10 5760-3530
E-mail: yilu.zhao@qunar.com

The Trustee's address is:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Qunar Cayman Islands Limited 2015 Indenture)
Facsimile: (213) 615-6197

The Company or the Trustee, by notice given to the other in the manner provided above, may designate additional or different addresses for subsequent notices or communications. Any notice, direction, request or demand hereunder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if it is in writing and actually received by the Trustee, addressed as provided above or sent electronically in PDF format.

Section 13.02 *Communication by Holders with Other Holders*. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA §312(c). Holders may communicate pursuant to TIA §312(b) with other Holders with respect to their rights under this Indenture or the Securities.

Section 13.03 *Certificate and Opinion as to Conditions Precedent*. Upon any request or application by the Company to the Trustee to take any action under this Indenture other than an action to be taken on the Issue Date in connection with the initial issuance of the Securities, the Company shall furnish to the Trustee:

(a) an Officer's Certificate stating that, in the opinion of the signatories to such Officer's Certificate, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each signatory to an Officer's Certificate or an Opinion of Counsel may (if so stated) rely, effectively, upon an Opinion of Counsel as to legal matters and an Officer's Certificate or certificates of public officials as to factual matters if such signatory reasonably and in good faith believes in the accuracy of the document relied upon.

Section 13.04 *Statements Required in Certificate or Opinion*. Each Officer's Certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA § 314(a)(4)) which shall comply with the provisions of TIA § 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 13.05 *Rules by Trustee and Agents*. The Registrar, Paying Agent or Conversion Agent may make reasonable rules and set reasonable requirements for their respective functions.

Section 13.06 *Legal Holidays*. If a payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on that payment for the intervening period.

Section 13.07 *Duplicate Originals*. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent one and the same agreement. Delivery of an executed counterpart by facsimile or PDF shall be effective as delivery of a manually executed counterpart thereof.

Section 13.08 *Governing Law*. THIS INDENTURE AND THE SECURITIES, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE OR THE SECURITIES, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Each of the parties hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating solely to this Indenture or the transactions contemplated hereby, to the general jurisdiction of the Supreme Court of the State of New York, County of New York or the United States Federal District Court sitting for the Southern District of New York (and appellate courts thereof);

(b) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same to the extent permitted by applicable law;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the party, as the case may be, at its address set forth in Section 13.01 or at such other address of which the other party shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction for recognition and enforcement of any judgment or if jurisdiction in the courts referenced in the foregoing clause (i) are not available despite the intentions of the parties hereto;

(e) agrees that final judgment in any such suit, action or proceeding brought in such a court may be enforced in the courts of any jurisdiction to which such party is subject by a suit upon such judgment, provided that service of process is effected upon such party in the manner specified herein or as otherwise permitted by law;

(f) agrees that to the extent that such party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, such party hereby irrevocably waives such immunity in respect of its obligations under this Indenture, to the extent permitted by law; and

(g) irrevocably and unconditionally waives trial by jury in any legal action or proceeding in relation to this Indenture.

Section 13.09 *No Adverse Interpretation of Other Agreements*. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors*. All agreements of the Company in this Indenture and the Securities shall bind its successors and assigns. All agreements of the Trustee in this Indenture shall bind its successors.

Section 13.11 *Separability*. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and a Holder shall have no claim therefor against any party hereto.

Section 13.12 *Table of Contents, Headings, Etc.* The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

Section 13.13 *Calculations in Respect of the Securities*. The Company and its agents shall make all calculations under this Indenture and the Securities. These calculations include, but are not limited to, determinations of the Closing Sale Price of the ADSs, the number of ADSs deliverable upon conversion, the Daily VWAPS, the Daily Settlement Amounts, the Daily Conversion Values, the Conversion Rate of the Securities, Additional Amounts (if any) and amounts of interest (including any Additional Interest) payable on the Securities. The Company and its agents shall make all of these calculations in good faith, and, absent manifest error, such calculations shall be final and binding on all Holders. The Company shall provide a copy of such calculations to the Trustee as required hereunder, and, absent such manifest error, the Trustee shall be entitled to conclusively rely on the accuracy of any such calculation without independent verification.

Section 13.14 *No Personal Liability of Directors, Officers, Employees or Shareholders*. None of the Company's past, present or future directors, officers, employees or stockholders, as such, shall have any liability for any of the Company's obligations under this Indenture or the Securities or for any claim based on, or in respect or by reason of, such obligations or their creation. By accepting a Security, each holder waives and releases all such liability. This waiver and release is part of the consideration for the issue of the Securities.

Section 13.15 *Force Majeure*. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13.16 *U.S.A. Patriot Act*. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 13.17 *Set-Off of Withholding Taxes.* If the Company or any Surviving Person is required by applicable law to pay, and pays, Excluded Taxes on behalf of a Holder or beneficial owner of Securities, the Company may, at its option, set off or cause to be set off such Taxes against any payments of cash or delivery of ADSs or Reference Property on the Securities. For purposes of such a set-off, each ADS shall be deemed to have a value equal to the Closing Sale Price of the ADSs on the Conversion Date applicable to such Security.

Section 13.18 *Trust Indenture Act Controls.* If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required or deemed to be included in this Indenture by the TIA, such required or deemed provision shall control.

[*The Remainder of This Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Yilu Zhao
Name: Yilu Zhao
Title: Chief Financial Officer

[Signature Page to Indenture]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Bradley E. Scarbrough
Name: Bradley E. Scarbrough
Title: Vice President

[Signature Page to Indenture]

EXHIBIT A

[FORM OF FACE OF SECURITY]

[INSERT PRIVATE PLACEMENT LEGEND (SECURITIES) AND GLOBAL SECURITY LEGEND, AS REQUIRED]

QUNAR CAYMAN ISLANDS LIMITED

Certificate No.

2% Convertible Senior Notes Due 2021 (the "**Securities**")

CUSIP No. [ ]

Qunar Cayman Islands Limited, an exempted company incorporated in the Cayman Islands (the "**Company,**" which term includes any successor corporation or other entity under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to [ ][3] [Cede & Co.][4], or its registered assigns, the principal sum [of [ ] dollars ($[ ])][5] [as set forth in the "Schedule of Exchanges of Interests in the Global Security" attached hereto, which amount, taken together with the principal amounts of all other outstanding Securities, shall not, unless permitted by the Indenture, exceed [ ] dollars ($[ ]) in aggregate at any time, in accordance with the rules and procedures of the Depositary][6], on June 17, 2021 (the "**Maturity Date**"), and to pay interest thereon, as provided on the reverse hereof, until the principal and any unpaid and accrued interest are paid or duly provided for.

Interest Payment Dates: June 17 and December 17, with the first payment to be made on December 17, 2015, and the Maturity Date.

Record Dates: June 2 and December 2 (and June 2, 2021 with respect to the Maturity Date).

The provisions on the back of this certificate are incorporated as if set forth on the face hereof.

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[3] This is included for Physical Securities.
[4] This is included for Global Securities.
[5] This is included for Physical Securities.
[6] This is included for Global Securities.

IN WITNESS WHEREOF, Qunar Caymans Islands Limited has caused this instrument to be duly signed.

QUNAR CAYMAN ISLANDS LIMITED

By: _____
Name:
Title:

Dated: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities referred to
in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

By: _____
Authorized Signatory

Dated: _____

[Authentication Page for Qunar Cayman Islands Limited 2% Convertible Senior Notes due 2021]

[FORM OF REVERSE OF SECURITY]

QUNAR CAYMAN ISLANDS LIMITED

2% Convertible Senior Notes Due 2021

1. *Interest*. Qunar Cayman Islands Limited, an exempted company incorporated in the Cayman Islands (the "**Company**"), promises to pay interest on the principal amount of this Security at the rate *per annum* shown above. The Company will pay interest, payable semi-annually in arrears, on June 17 and December 17 of each year, with the first payment to be made on December 17, 2015 and on the Maturity Date. Interest on the Securities will accrue on the principal amount from, and including, the most recent date to which interest has been paid or provided for or, if no interest has been paid, from, and including, June 17, 2015, in each case to, but excluding, the next Interest Payment Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay, in cash, interest on any overdue amount (including, to the extent permitted by applicable law, overdue interest) at the rate borne by the Securities. In certain circumstances, Additional Interest will be payable in accordance with Section 6.02(b) of the Indenture and any reference to "interest" shall be deemed to include any such Additional Interest.

2. *Maturity*. The Securities will mature on the Maturity Date.

3. *Method of Payment.* Except as provided in the Indenture (as defined below), the Company will pay interest on the Securities to the Persons who are Holders of record of Securities at the Close of Business on the Record Date set forth on the face of this Security immediately preceding the applicable Interest Payment Date. Holders must surrender Securities to a Paying Agent to collect the principal amount plus, if applicable, accrued and unpaid interest, if any or the Fundamental Change Repurchase Price, payable as herein provided on the Maturity Date or any Fundamental Change Repurchase Date, as applicable.

4. *Paying Agent, Registrar, Conversion Agent*. Initially, U.S. Bank National Association (the "**Trustee**") will act as Paying Agent, Registrar and Conversion Agent. The Company may change any Paying Agent, Registrar or Conversion Agent without prior notice.

5. *Indenture*. The Company issued the Securities under an Indenture dated as of June 17, 2015 (the "**Indenture**") between the Company and the Trustee. The Securities are subject to all terms set forth in the Indenture, and Holders are referred to the Indenture for a statement of such terms. The Securities are unsecured senior obligations of the Company limited to $500,000,000 aggregate principal amount, except as otherwise provided in the Indenture (and except for Securities issued in substitution for destroyed, lost or stolen Securities). Terms used herein without definition and which are defined in the Indenture have the meanings assigned to them in the Indenture. In the event of any inconsistency between the terms of this Security and the terms of the Indenture, the terms of the Indenture shall control.

6. *Redemption*. No sinking fund is provided for the Securities. Prior to June 17, 2021, the Securities will not be redeemable except at the option of the Company in the event of certain changes in tax law as provided in Section 3.02 of the Indenture.

7. *Repurchase at Option of Holder Upon a Fundamental Change*. Subject to the terms and conditions of the Indenture, in the event of a Fundamental Change, each Holder of the Securities shall have the right, at the Holder's option, to require the Company to repurchase such Holder's Securities including any portion thereof which is $1,000 in principal amount or any integral multiple thereof on the Fundamental Change Repurchase Date at a price payable in cash equal to the Fundamental Change Repurchase Price.

8. *Conversion*. The Securities shall be convertible into cash, ADSs or a combination of cash and ADSs, as applicable, at the Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture. To convert a Security, a Holder must satisfy the requirements of Section 10.02(a) of the Indenture. A Holder may convert a portion of a Security if the portion is $1,000 principal amount or an integral multiple of $1,000 principal amount.

Upon conversion of a Security, the Holder thereof shall be entitled to receive the ADSs payable upon conversion in accordance with Article 10 of the Indenture, at the Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture.

9. *Denominations, Transfer, Exchange.* The Securities are in registered form, without coupons, in minimum denominations of $1,000 principal amount and integral multiples of $1,000 principal amount. The transfer of Securities may be registered and Securities may be exchanged as provided in the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with certain transfers or exchanges as set forth in the Indenture. The Company or the Trustee, as the case may be, shall not be required to register the transfer of or exchange any Security for which a Repurchase Notice has been delivered, and not withdrawn, in accordance with the Indenture, except the unrepurchased portion of Securities being repurchased in part.

10. *Persons Deemed Owners.* The registered Holder of a Security will be treated as its owner for all purposes. Only registered Holders of Securities shall have the rights under the Indenture.

11. *Amendments, Supplements and Waivers*. The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the Holders of the Securities, and in certain other circumstances, with the consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities, to amend or supplement the Indenture or the Securities.

12. *Defaults and Remedies.* Subject to certain exceptions, if an Event of Default occurs and is continuing, the Trustee by notice to the Company or the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then outstanding by notice to the Company and the Trustee may declare the principal of, and any accrued and unpaid interest on, all Securities to be due and payable immediately. If any of certain bankruptcy or insolvency-related Events of Default occurs and is continuing, the principal of, and accrued and unpaid interest on, all the Securities shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. Subject to certain exceptions, the Holders of a majority in aggregate principal amount of the Securities then outstanding by written notice to the Trustee may rescind or annul an acceleration and its consequences if certain conditions specified in the Indenture are satisfied.

13. *Trustee Dealings with the Company.* The Trustee under the Indenture, or any banking institution serving as successor Trustee thereunder, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for, the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not Trustee.

14. *Authentication.* This Security shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent in accordance with the Indenture.

15. *Abbreviations.* Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

THE COMPANY WILL FURNISH TO ANY HOLDER UPON WRITTEN REQUEST AND WITHOUT CHARGE A COPY OF THE INDENTURE. REQUESTS MAY BE MADE TO:

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao
Facsimile No.: +86 10 5760-3530
E-mail: yilu.zhao@qunar.com

ATTACHMENT 1

FORM OF ASSIGNMENT

I or we assign to
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

_____

_____

(please print or type name and address)

_____

_____

the within Security and all rights thereunder, and hereby irrevocably constitute and appoint

_____

Attorney to transfer the Security on the books of the Company with full power of substitution in the premises.
Dated: _____

_____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Security in every particular without alteration or enlargement or any change whatsoever and be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar.

Signature Guarantee: _____

In connection with any transfer of this Security occurring prior to the Resale Restriction Termination Date, the undersigned confirms that it is making, and it has not utilized any general solicitation or general advertising in connection with, the transfer:

[Check One]

(1) ☐ to Qunar Cayman Islands Limited or any Subsidiary thereof; or

(2) ☐ pursuant to a registration statement which has become effective under the Securities Act of 1933, as amended (the "**Securities Act**"); or

(3) ☐ pursuant to an exemption from registration provided by Rule 144 under the Securities Act or any other available exemption from the registration requirements of the Securities Act.

Unless one of the items (1) through (3) is checked, the Registrar will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided*, *however*, that if item (3) is checked, the Company, the transfer agent or the Registrar may require, prior to registering any such transfer of the Securities, in their sole discretion, such written legal opinions, certifications and other evidence as the Registrar or the Company have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as amended.

If none of the foregoing items are checked, the Trustee or Registrar shall not be obligated to register this Security in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as name appears on the other side of this Security)

Signature Guarantee: _____

ATTACHMENT 2

FORM OF CONVERSION NOTICE[7]

To convert this Security in accordance with the Indenture, check the box:

To convert only part of this Security, state the principal amount to be converted (must be in multiples of $1,000):

$

If this Conversion Notice is served within the Make-Whole Conversion Period, indicate whether the Holder elects to opt out of the Make-Whole Fundamental Change:

Yes ☐ No: ☐

If you want the stock certificate representing the Ordinary Shares issuable upon conversion made out in another person's name, fill in the form below:

(Insert other person's soc. sec. or tax I.D. no.)

(Print or type other person's name, address and zip code)

Date: _____ Signature(s): _____

(Sign exactly as your name(s) appear(s) on the other side of this Security)

Signature(s) guaranteed by: _____

(All signatures must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.)

[7] This Conversion Notice may be made subject to receiving HSR approval.

ATTACHMENT 3

FORM OF REPURCHASE NOTICE

Certificate No. of Security:
Principal Amount of this Security: $

If you want to elect to have this Security purchased by the Company pursuant to Section 3.01 of the Indenture, check the box:

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 3.01 of the Indenture, state the principal amount to be so purchased by the Company:

$

(in an integral multiple of $1,000)

Date: _____ Signature(s): _____

(Sign exactly as your name(s) appear(s) on the other side of this Security)

Signature(s) guaranteed by:

(All signatures must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.)

SCHEDULE A[8]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

Qunar Cayman Islands Limited
2% Convertible Senior Notes Due 2021

The initial principal amount of this Global Security is DOLLARS ($[ ]). The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

[8] This is included in Global Securities.

EXHIBIT B-1A

FORM OF PRIVATE PLACEMENT LEGEND (SECURITIES)

THIS SECURITY AND THE AMERICAN DEPOSITORY SHARES ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

AGREES FOR THE BENEFIT OF QUNAR CAYMAN ISLANDS LIMITED (THE "**COMPANY**") THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED IN THE INDENTURE PURSUANT TO WHICH THIS SECURITY WAS ISSUED), EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (1)(C) ABOVE, THE COMPANY AND THE REGISTRAR RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED BY THE COMPANY IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Each Affiliate Security shall include the following legend:

THIS SECURITY AND THE AMERICAN DEPOSITORY SHARES ISSUABLE UPON CONVERSION OF THIS SECURITY ARE HELD BY AN AFFILIATE OF THE COMPANY AND ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER UNDER RULE 144 UNDER THE SECURITIES ACT.

EXHIBIT B-1B

FORM OF PRIVATE PLACEMENT LEGEND (AMERICAN DEPOSITORY SHARES)

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

AGREES FOR THE BENEFIT OF QUNAR CAYMAN ISLANDS LIMITED (THE "**COMPANY**") THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED IN THE INDENTURE PURSUANT TO WHICH THIS SECURITY WAS ISSUED), EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (1)(C) ABOVE, THE COMPANY AND THE REGISTRAR RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED BY THE COMPANY IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Any such ADSs held by an Affiliate of the Company shall also include the following legend:

THIS SECURITY IS HELD BY AN AFFILIATE OF THE COMPANY AND ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER UNDER RULE 144 UNDER THE SECURITIES ACT.

EXHIBIT B-2

FORM OF LEGEND FOR GLOBAL SECURITY

Any Global Security authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. THIS SECURITY IS NOT EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.15 AND 2.16 OF THE INDENTURE.

EXHIBIT C

Form of Notice of Transfer Pursuant to Registration Statement

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao
Facsimile No.: +86 10 5760-3530
E-mail: yilu.zhao@qunar.com

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Qunar Cayman Islands Limited 2015 Indenture)
Facsimile: (213) 615-6197

Re: Qunar Cayman Islands Limited (the "**Company**") 2% Convertible Senior Notes Due 2021 (the "**Securities**")

Ladies and Gentlemen:

Please be advised that has transferred $ aggregate principal amount of the Securities and American Depository Shares of the Company issued on conversion of the Securities pursuant to an effective Registration Statement on Form S-3 (File No. 333-).

Very truly yours,

_____
(Name)

Exhibit 2.8

Execution Copy

QUNAR CAYMAN ISLANDS LIMITED

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of August 17, 2015

TO

INDENTURE

Dated as of June 17, 2015

2% CONVERTIBLE SENIOR NOTES DUE 2021

THIS **FIRST SUPPLEMENTAL INDENTURE**, dated as of August 17, 2015 (the "**First Supplemental Indenture**"), between Qunar Cayman Islands Limited, an exempted limited liability company incorporated in the Cayman Islands (the "**Company**"), and U.S. Bank National Association, a national banking association organized under the laws of the United States, as trustee (the "**Trustee**"). Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Indenture

WITNESSETH:

WHEREAS, the Company has heretofore delivered to the Trustee an Indenture dated as of June 17, 2015 (the "**Indenture**"), providing for the issuance by the Company of the Company's 2% Convertible Senior Notes due 2021 (the "**Securities**").

WHEREAS, Sections 4.08 and 10.14 of the Indenture provide for various matters with respect to HH Securities and SLP Securities.

WHEREAS, Section 9.02 of the Indenture provides that the Company may (a) amend or supplement the Indenture or the Securities with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities and (b) with the consent of the Holder of each outstanding Security affected may adversely affect the right of Holders to convert Securities in accordance with Article 10.

WHEREAS, the Board of Directors of the Company has duly adopted resolutions authorizing the Company to execute and deliver this First Supplemental Indenture.

WHEREAS, each Holder has consented to the execution and delivery of this First Supplemental Indenture.

WHEREAS, all of the conditions and requirements necessary to make this First Supplemental Indenture, when duly executed and delivered, a valid and binding agreement in accordance with its terms and for the purposes herein expressed, have been performed and fulfilled.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Securities of such series, as follows:

ARTICLE 1
AMENDMENTS TO INDENTURE

Section 1.01 *Addition of certain defined terms in Section 1.01 of the Indenture*. The following defined terms are hereby added to Section 1.02 of the Indenture:

"**Side Letter**" means that certain letter agreement dated August 17, 2015, among the Company, HH and Silver Lake with respect to certain rights of the Holders of HH Securities and SLP Securities."

"**HH Notice**" means any notice by a HH Entity given to the Trustee and the Company in accordance with Section 13.01 of the Indenture with respect to the Company's failure to comply with any term, covenant or agreement set forth in the Side Letter, which notice must (i) specify that such failure constitutes a "Default" under Section 6.01(k) of the Indenture, (ii) demand that such Default be remedied and (iii) state that the notice is a "Notice of Default."

"**SLP Notice**" means any notice by a SLP Entity given to the Trustee and the Company in accordance with Section 13.01 of the Indenture with respect to the Company's failure to comply with any term, covenant or agreement set forth in the Side Letter, which notice must (i) specify that such failure constitutes a "Default" under Section 6.01(k) of the Indenture, (ii) demand that such Default be remedied and (iii) state that the notice is a "Notice of Default".

Term	Defined in Section
"**Additional Amounts**"	4.07
"**Applicable Price**"	10.14(c)
"**Cash Settlement Percentage**"	10.14(g)(i)
"**Clause A Distribution**"	10.06(c)
"**Clause B Distribution**"	10.06(c)
"**Clause C Distribution**"	10.06(c)
"**Combination Settlement**"	10.02(a)
"**Conversion Agent**"	2.03
"**Conversion Obligation**"	10.01(a)
"**Distributed Property**"	10.06(c)
"**Effective Date**"	10.14(a)
"**Event of Default**"	6.01
"**Excluded Holder**"	4.07
"**Excluded Taxes**"	4.07
"**FATCA**"	4.07(a)(vi)
"**Fundamental Change Notice**"	3.01(b)
"**Fundamental Change Repurchase Date**"	3.01(a)
"**Fundamental Change Repurchase Price**"	3.01(a)
"**Fundamental Change Repurchase Right**"	3.01(a)
"**Global Security**"	2.01
"**Make-Whole Applicable Increase**"	10.14(a)
"**Make-Whole Conversion Period**"	10.14(a)
"**Merger Event**"	10.11
"**Ordinary Shares Private Placement Legend**"	2.17
"**Participants**"	2.15(a)
"**Paying Agent**"	2.03
"**Physical Security**"	2.01
"**Physical Settlement**"	10.02(a)
"**Reference Per ADS Price**"	10.14(c)
"**Reference Property**"	10.11
"**Registrar**"	2.03
"**Relevant Jurisdiction**"	4.07(a)
"**Repurchase Upon Fundamental Change**"	3.01
"**Resale Restriction Termination Date**"	2.17
"**Securities**"	Preamble
"**Security Private Placement Legend**"	2.17
"**Settlement Amount**"	10.02(a)(i)
"**Settlement Notice**"	10.02(a)(i)
"**Spin-Off**"	10.06(c)
"**Surviving Person**"	4.07(a)
"**Tax**"	4.07(a)
"**Trigger Event**"	10.06(c)
"**Valuation Period**"	10.06(c)
"**Voting Stock**"	1.01 (Definition of "**Change in Control**")

Section 1.03 *Amendment to Sections 2.01 and 2.06 of the Indenture.* Sections 2.01 and 2.06 of the Indenture are replaced in its entirety as follows:

"Section 2.01 *Form and Dating.* The Securities and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit A, which is incorporated in and forms a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage; *provided* that such notations, legends or endorsements are in a form reasonably acceptable to the Company and provided in writing to the Trustee. Each Security shall be dated the date of its authentication.

All Affiliate Securities shall be issued in the form of permanent certificated Securities in registered form in substantially the form set forth in Exhibit A (each, a "**Physical Security**") and, if applicable, bearing any legends required by Section 2.17. Physical Securities may be issued in exchange for interests in a Global Security solely pursuant to Section 2.15.

So long as the Securities (including SLP Securities and HH Securities issued on June 17, 2015 as Physical Securities, but excluding Affiliate Securities, in each case subject to Section 2.06 and Section 2.17), or portion thereof, are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to Section 2.15, such Securities may be represented by one or more Securities in global form registered in the name of the Depositary or the nominee of the Depositary ("**Global Securities**"). The transfer and exchange of beneficial interests in any such Global Securities shall be effected through the Depositary in accordance with this Indenture and the applicable procedures of the Depositary. Except as provided in Section 2.15, beneficial owners of a Global Security shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered Holders of such Global Security.

Any Global Securities shall represent such of the outstanding Securities as shall be specified therein and shall provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be increased or reduced to reflect issuances, repurchases, redemptions, conversions, transfers or exchanges permitted hereby. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Securities represented thereby shall be made by the Trustee or the custodian for the Global Security, at the written direction of the Trustee, in such manner and upon instructions given by the Holder of such Securities in accordance with this Indenture. Payment of principal of, and interest on, any Global Securities (including the Fundamental Change Repurchase Price, if applicable) shall be made to the Depositary in immediately available funds."

"Section 2.06 *Transfer and Exchange.* Subject to Section 2.15 and Section 2.16 hereof, where Securities are presented to the Registrar with a request to register their transfer or to exchange them for an equal principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange if the Registrar's requirements under this Indenture for such transaction are met. To permit registrations of transfer and exchanges, the Trustee shall authenticate Securities at the Registrar's request or upon the Trustee's receipt of a Company Order therefor. The Company, the Registrar or the Trustee, as the case may be, shall not be required to register the transfer of or exchange any Security for which a Repurchase Notice has been delivered, and not withdrawn, in accordance with this Indenture, except if the Company has defaulted in the payment of the Fundamental Change Repurchase Price with respect to such Security or to the extent that a portion of such Security is not subject to such Repurchase Notice.

No service charge shall be made for any transfer, exchange or conversion of Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of Securities, other than exchanges pursuant to Section 2.07, Section 2.10, Section 3.01, Section 9.04 or Section 10.02, in each case, not involving any transfer.

If a Holder of a Physical Security wishes at any time to transfer such Physical Security (or portion thereof) to a Person who is not an Affiliate (that is required to take delivery thereof in the form of a Physical Security) or wishes to exchange its Physical Security for a Global Security, such Holder shall, subject to the restrictions on transfer imposed by applicable securities laws, the procedures set forth herein and in such Physical Security and the rules of the Depositary, and so long as the Securities are eligible for book-entry settlement with the Depositary, cause the exchange of such Physical Security for a beneficial interest in a Global Security. Upon receipt by the Registrar of (1) such Physical Security, duly endorsed as provided herein, (2) instructions from such Holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary by the same aggregate principal amount as the Physical Security to be exchanged, such instructions to contain the name or names of a member of, or participant in, the Depositary that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) in the case of a transfer, the assignment form on the back of the Physical Security completed in full, and (4) in the case of a transfer of Restricted Securities, an Affiliate Security, an SLP Security or a HH Security, such certifications or other information and/or legal opinions (which shall be required in the case of transfers of any Affiliate Security, SLP Security or HH Security by any Affiliated Entity, SLP Entity or HH Entity, as applicable, pursuant to Rule 144 under the Securities Act), as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act (or in the case of an exchange, the date of the Resale Restriction Termination Date shall be on or prior to the date of such exchange), then the Trustee shall cancel or cause to be canceled such Physical Security and concurrently therewith shall cause, or direct the Registrar to cause, in accordance with the applicable procedures of the Depositary, an increase to the aggregate principal amount of the Global Security or issue a new Global Security by the same aggregate principal amount as the Physical Security canceled; *provided*, that in the case of any transfer of an Affiliate Security, an SLP Security or a HH Security to a Person taking delivery thereof as a beneficial interest in a Global Security, any such transfer shall be made only either (i) in a transaction complying with Rule 144, (ii) pursuant to an effective registration statement, such effectiveness to be certified by the Company to the Trustee, or (iii) to Persons who agree to be bound by the restrictions applicable to such Holders for so long as such transferred securities constitutes "restricted securities."

Section 1.04 *Deletion of Section 4.08 of the Indenture.* Section 4.08 of the Indenture is hereby deleted in its entirety.

Section 1.05 *Amendment to Section 6.01 of the Indenture.* The following clause (k) is hereby added after clause (j) of Section 6.01:

"(k) the Company and the Trustee receives a HH Notice or a SLP Notice and the failure by the Company to comply with the applicable term, covenant or agreement set forth in the Side Letter is not cured within sixty (60) days after receipt of a HH Notice or SLP Notice, as applicable."

Section 1.06 *Amendment to Section 7.02 of the Indenture.* The following clause (m) is hereby added after clause (l) in Section 7.02 of the Indenture:

"(m) The Trustee has no duty to monitor compliance with the Side Letter. The Trustee is entitled to treat any HH Notice or SLP Notice as conclusive evidence of the existence of a Default under Section 6.01(k) of the Indenture and the Trustee shall have no liability to any Person in acting in reliance thereon. Without limiting the foregoing two sentences, the Trustee has no duty to inquire into the facts or circumstances set forth in any HH Notice or SLP Notice, to verify the contents of any such notice, to determine whether delivery of such notice was permitted by the Side Letter or to verify that such HH Notice or SLP Notice has been given by the HH Entities or SLP Entities, as the case may be."

Section 1.07 *Amendment to Section 10.14 of the Indenture.* Section 10.14 of the Indenture is hereby amended and replaced in its entirety with the following:

"Section 10.14 Increased Conversion Rate Applicable to Certain Securities Surrendered in Connection with Make-Whole Fundamental Changes. (a) Notwithstanding anything herein to the contrary, the Conversion Rate applicable to each Security that is surrendered for conversion, in accordance with this Article 10, at any time during the period (the "**Make-Whole Conversion Period**") from, and including, the effective date (the "**Effective Date**") of a Make-Whole Fundamental Change (which Effective Date the Company shall disclose in the written notice referred to in Section 10.14(d)) (A) to, and including, the Close of Business on the date that is thirty (30) Business Days after the later of (i) such Effective Date and (ii) the date the Company mails to Holders the relevant notice of the Effective Date or (B) if such Make-Whole Fundamental Change also constitutes a Fundamental Change, to, and including, the Close of Business on the Fundamental Change Repurchase Date corresponding to such Fundamental Change, shall be increased to an amount equal to the Conversion Rate that would, but for this Section 10.14(a), otherwise apply to such Security pursuant to this Article 10, plus an amount equal to the Make-Whole Applicable Increase.

As used herein, "**Make-Whole Applicable Increase**" shall mean, with respect to a Make-Whole Fundamental Change, the amount, set forth in the following table, which corresponds to the Effective Date and the Applicable Price of such Make-Whole Fundamental Change:

	Applicable Price										
Effective Date	$ 45.00	$ 50.00	$ 55.00	$ 60.00	$ 65.00	$ 70.00	$ 75.00	$ 80.00	$ 85.00	$ 90.00	$ 95.00
17-Jun-15	5.1898	4.0956	3.2526	2.5939	2.0720	1.6534	1.3141	1.0394	0.8169	0.6325	0.4854
17-Jun-16	5.2199	4.0954	3.2338	2.5632	2.0345	1.6135	1.2750	1.0008	0.7780	0.5989	0.4522
17-Jun-17	5.2677	4.1021	3.2128	2.5270	1.9885	1.5616	1.2224	0.9504	0.7313	0.5544	0.4120
17-Jun-18	5.2943	4.0767	3.1519	2.4481	1.9006	1.4716	1.1333	0.8652	0.6521	0.4824	0.3484
17-Jun-19	5.2219	3.9289	2.9652	2.2449	1.6922	1.2720	0.9474	0.6957	0.5009	0.3508	0.2361
17-Jun-20	4.8882	3.4841	2.4720	1.7457	1.2192	0.8371	0.5620	0.3638	0.2218	0.1244	0.0588
17-Jun-21	4.0404	1.8182	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

provided, however, that:

(A) if the actual Applicable Price of such Make-Whole Fundamental Change is between two (2) Applicable Prices listed in the table above under the column titled "Applicable Price," or if the actual Effective Date of such Make-Whole Fundamental Change is between two Effective Dates listed in the table above in the row immediately below the title "Effective Date," then the Make-Whole Applicable Increase for such Make-Whole Fundamental Change shall be determined by linear interpolation between the Make-Whole Applicable Increases set forth for such higher and lower Applicable Prices, or for such earlier and later Effective Dates based on a three hundred and sixty five (365) day year, as applicable;

(B) if the actual Applicable Price of such Make-Whole Fundamental Change is greater than $95 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(C)), then the Make-Whole Applicable Increase shall be determined jointly by the Company and the converting Holder on a best efforts basis using the agreed form Goldman Sachs' QuoteTool convertible bond pricing model dated on the date of this Indenture and with the same set of assumptions used for any extension to the model or if the actual Applicable Price of such Make-Whole Fundamental Change is less than $45 per ADS (subject to adjustment in the same manner as the Applicable Prices pursuant to Section 10.14(a)(C)), then the Make-Whole Applicable Increase shall be obtained by reference to the amount that corresponds to a Applicable Price of $45;

(C) if an event occurs that requires, pursuant to this Article 10 (other than solely pursuant to this Section 10.14), an adjustment to the Conversion Rate, then, on the date and at the time such adjustment is so required to be made, each Applicable Price set forth in the table above under the column titled "Applicable Price" shall be deemed to be adjusted so that such Applicable Price, at and after such time, shall be equal to the product of (A) such Applicable Price as in effect immediately before such adjustment to such Applicable Price and (B) a fraction the numerator of which is the Conversion Rate in effect immediately before such adjustment to the Conversion Rate and the denominator of which is the Conversion Rate to be in effect, in accordance with this Article 10, immediately after such adjustment to the Conversion Rate; and

(D) each Make-Whole Applicable Increase amount set forth in the table above shall be adjusted in the same manner, for the same events and at the same time as the Conversion Rate is required to be adjusted pursuant to Section 10.06 through Section 10.13.

(b) Subject to Section 10.11, upon surrender of Securities for conversion in connection with a Make-Whole Fundamental Change, the Company shall, at its sole option and discretion, satisfy the related Conversion Obligation by Physical Settlement or Combination Settlement in accordance with Section 10.02; *provided*, *however*, that if at the effective time of a Make-Whole Fundamental Change described in clause (b) of the definition of Change in Control the consideration for the Ordinary Shares or ADSs is composed entirely of cash, for any conversion of Securities following the Effective Date of such Make-Whole Fundamental Change, the Conversion Obligation shall be calculated based solely on the Applicable Price for the transaction and shall be deemed to be an amount equal to, per $1,000 principal amount of converted Securities, the Conversion Rate (including any Make-Whole Applicable Increase), *multiplied by* such Applicable Price. In such event, the Conversion Obligation will be determined and shall be paid to Holders in cash on the third Business Day following the Conversion Date.

(c) As used herein, "**Applicable Price**" shall have the following meaning with respect to a Make-Whole Fundamental Change: (i) if such Make-Whole Fundamental Change is a transaction or series of transactions described in clause (b) of the definition of Change in Control (without regard to the exclusion set forth therein) and the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for Ordinary Shares or ADSs in such Make-Whole Fundamental Change consists solely of cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the cash amount paid per ADS in such Make-Whole Fundamental Change and, (ii) if such Make-Whole Fundamental Change is a transaction or series of transaction described in clause (c) of the definition of Fundamental Change, or clause (a) or (c) of the definition of "Change in Control" and the consideration (excluding cash payments for fractional shares or pursuant to statutory appraisal rights) for Ordinary Shares or ADSs in such Make-Whole Fundamental Change consists solely of cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the lower of (x) cash amount paid per ADS in such Make-Whole Fundamental Change (or in the case of a series of transactions, the volume-weighted average cash amount paid per ADS in such series of transactions that occurred during the two-month period immediately prior the Effective Time of such Make-Whole Fundamental Change), and (y) the average of the Closing Sale Prices per ADS for the five (5) consecutive Trading Days immediately preceding, but excluding, the Effective Date of such Make-Whole Fundamental Change, which average shall be appropriately adjusted by the Board of Directors, in its good faith determination, to account for any adjustment, pursuant hereto, to the Conversion Rate that shall become effective, or any event requiring, pursuant hereto, an adjustment to the Conversion Rate where the Ex Date of such event occurs, at any time during such five (5) consecutive Trading Days (as adjusted, the "**Reference Per ADS Price**"), and (iii) in all other circumstances, the "Applicable Price" with respect to such Make-Whole Fundamental Change shall be equal to the Reference Per ADS Price.

(d) The Company shall deliver to each Holder (with a copy to the Trustee and the Conversion Agent), in accordance with Section 13.01, written notice of the Effective Date of the Make-Whole Fundamental Change within ten (10) days of such Effective Date. Each such notice shall also state that, in connection with such Make-Whole Fundamental Change, the Company shall increase, in accordance herewith, the Conversion Rate applicable to Securities entitled as provided herein to such increase (along with a description of how such increase shall be calculated and the time periods during which Securities must be surrendered in order to be entitled to such increase, including, without limitation, the last day of the Make-Whole Conversion Period).

(e) For avoidance of doubt, the provisions of this Section 10.14 shall not affect or diminish the Company's obligations, if any, pursuant to Article 3 with respect to a Make-Whole Fundamental Change that also constitutes a Fundamental Change.

(f) Nothing in this Section 10.14 shall prevent an adjustment to the Conversion Rate pursuant to Section 10.06 in respect of a Make-Whole Fundamental Change."

ARTICLE 2
MISCELLANEOUS

Section 2.01 *Ratification of Indenture*.

This First Supplemental Indenture is an amendment supplemental to the Indenture and constitutes an integral part of the Indenture. The Indenture and this First Supplemental Indenture will henceforth be read together. Except as expressly modified or amended hereby, the Indenture continues in full force and effect and is in all respects confirmed, ratified and preserved. Every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound by the Indenture as amended hereby.

Section 2.02 *Governing Law*.

THIS FIRST SUPPLEMENTAL INDENTURE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS FIRST SUPPLEMENTAL INDENTURE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 2.03 *Counterparts*.

The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent one and the same agreement. Delivery of an executed counterpart by facsimile or PDF shall be effective as delivery of a manually executed counterpart thereof.

[*The Remainder of This Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the date first above written.

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Chenchao Zhuang
Name: Chenchao Zhuang
Title: CEO

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Bradley Scarbrough
Name: Bradley Scarbrough
Title: Vice President

Exhibit 2.9

Execution Version

QUNAR CAYMAN ISLANDS LIMITED

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated as of November 24, 2015

TO

INDENTURE

Dated as of June 17, 2015

As supplemented by

FIRST SUPPLEMENTAL INDENTURE

Dated as of August 17, 2015

2% CONVERTIBLE SENIOR NOTES DUE 2021

THIS **SECOND SUPPLEMENTAL INDENTURE**, dated as of November 24, 2015 (the "**Second Supplemental Indenture**"), between Qunar Cayman Islands Limited, an exempted limited liability company incorporated in the Cayman Islands (the "**Company**"), and U.S. Bank National Association, a national banking association organized under the laws of the United States, as trustee (the "**Trustee**"). Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Indenture

WITNESSETH:

WHEREAS, the Company has heretofore delivered to the Trustee an Indenture dated as of June 17, 2015 (the "**Original Indenture**"), providing for the issuance by the Company of the Company's 2% Convertible Senior Notes due 2021 (the "**Securities**").

WHEREAS, the Company and Trustee have heretofore entered into a First Supplemental Indenture (the "**First Supplemental Indenture**", and together with the Original Indenture, the "**Indenture**") relating to the Securities, dated as of August 17, 2015.

WHEREAS, Section 9.02 of the Indenture provides that the Company may amend or supplement the Indenture or the Securities with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities.

WHEREAS, the Company has taken all necessary corporate action in connection with the execution of this Second Supplemental Indenture.

WHEREAS, each Holder has consented to the execution and delivery of this Second Supplemental Indenture.

WHEREAS, all of the conditions and requirements necessary to make this Second Supplemental Indenture, when duly executed and delivered, a valid and binding agreement in accordance with its terms and for the purposes herein expressed, have been performed and fulfilled.

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Securities of such series, as follows:

ARTICLE 1
AMENDMENTS TO INDENTURE

Section 1.01 *Amendment to Sections 2.01 and 2.06 of the Indenture.* Sections 2.01 and 2.06 of the Indenture are replaced in its entirety as follows: "Section 2.01 *Form and Dating.* The Securities and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit A, which is incorporated in and forms a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage; *provided* that such notations, legends or endorsements are in a form reasonably acceptable to the Company and provided in writing to the Trustee. Each Security shall be dated the date of its authentication.

All Affiliate Securities and any Physical Securities transferred by a Holder in accordance with Section 2.06(b) hereof shall be issued in the form of permanent certificated Securities in registered form in substantially the form set forth in Exhibit A (each, a "**Physical Security**") and, if applicable, bearing any legends required by Section 2.17. Physical Securities may be issued in exchange for interests in a Global Security solely pursuant to Section 2.15.

So long as the Securities (including SLP Securities and HH Securities issued on June 17, 2015 as Physical Securities and any other Physical Securities issued pursuant to Section 2.06(b) hereof, but excluding Affiliate Securities, in each case subject to Section 2.06 and Section 2.17), or portion thereof, are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to Section 2.15, such Securities may be represented by one or more Securities in global form registered in the name of the Depositary or the nominee of the Depositary ("**Global Securities**"). The transfer and exchange of beneficial interests in any such Global Securities shall be effected through the Depositary in accordance with this Indenture and the applicable procedures of the Depositary. Except as provided in Section 2.15, beneficial owners of a Global Security shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered Holders of such Global Security.

Any Global Securities shall represent such of the outstanding Securities as shall be specified therein and shall provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be increased or reduced to reflect issuances, repurchases, redemptions, conversions, transfers or exchanges permitted hereby. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Securities represented thereby shall be made by the Trustee or the custodian for the Global Security, at the written direction of the Trustee, in such manner and upon instructions given by the Holder of such Securities in accordance with this Indenture. Payment of principal of, and interest on, any Global Securities (including the Fundamental Change Repurchase Price, if applicable) shall be made to the Depositary in immediately available funds."

"Section 2.06 *Transfer and Exchange.* (a) Subject to Section 2.15 and Section 2.16 hereof, where Securities are presented to the Registrar with a request to register their transfer or to exchange them for an equal principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange if the Registrar's requirements under this Indenture for such transaction are met. To permit registrations of transfer and exchanges, the Trustee shall authenticate Securities at the Registrar's request or upon the Trustee's receipt of a Company Order therefor. The Company, the Registrar or the Trustee, as the case may be, shall not be required to register the transfer of or exchange any Security for which a Repurchase Notice has been delivered, and not withdrawn, in accordance with this Indenture, except if the Company has defaulted in the payment of the Fundamental Change Repurchase Price with respect to such Security or to the extent that a portion of such Security is not subject to such Repurchase Notice.

No service charge shall be made for any transfer, exchange or conversion of Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of Securities, other than exchanges pursuant to Section 2.07, Section 2.10, Section 3.01, Section 9.04 or Section 10.02, in each case, not involving any transfer.

(b) If a Holder of a Physical Security wishes at any time to transfer such Physical Security (or portion thereof) to a Person (whether or not an Affiliate) in accordance with Section 2.06(a) above, such Holder may, subject to the restrictions on transfer imposed by applicable securities laws, the procedures set forth herein and in such Physical Security, cause the exchange of such Physical Security for a new Physical Security. Upon receipt by the Registrar of (1) such Physical Security, duly endorsed as provided herein, (2) the assignment form on the back of the Physical Security completed in full, such instructions to contain the name or names of the transferee and other appropriate delivery instructions, (3) instructions from such Holder directing the Trustee to (i) cancel such Physical Security of the Holder (or portion thereof), (ii) issue a new Physical Security in the name of the transferee as specified in the assignment form and in the same aggregate principal amount as the portion of the Physical Security to be transferred, and, if applicable, (iii) a new Physical Security in the name of such Holder for the remaining portion of any such Security and (4) in the case of a transfer of Restricted Securities, an Affiliate Security, an SLP Security or a HH Security, such certifications or other information and/or legal opinions (which shall be required in the case of transfers of any Affiliate Security, SLP Security or HH Security by any Affiliated Entity, SLP Entity or HH Entity, as applicable, pursuant to Rule 144 under the Securities Act), as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee shall cancel or cause to be canceled such Physical Security and concurrently therewith shall issue a new Physical Security to the transferee as the new Holder (and, if applicable, issue a new Physical Security to the transferring Holder where less than the full principal amount of the Physical Security being submitted for cancellation is transferred); *provided*, that in the case of any transfer of an Affiliate Security, an SLP Security or a HH Security any such transfer shall be made either (i) in a transaction complying with Rule 144, (ii) pursuant to an effective registration statement, such effectiveness to be certified by the Company to the Trustee, or (iii) to Persons who agree to be bound by the restrictions applicable to such Holders for so long as such transferred securities constitutes "restricted securities." In connection with any such issuances of new Physical Securities hereunder, the Registrar shall update the registry and holder lists as described in Section 2.03 and Section 2.05 hereof.

(c) In additional to and separate from the right to register a transfer or exchange of Securities in accordance with paragraphs (a) and (b) above, if a Holder of a Physical Security (i) wishes at any time to transfer such Physical Security (or portion thereof) to a Person and wishes to transfer such Physical Security to the form of a Global Security in connection with such transfer (and which transfer may only be to a Person who is not an Affiliate) or (ii) wishes to exchange its Physical Security for a Global Security, such Holder may, subject to the restrictions on transfer imposed by applicable securities laws, the procedures set forth herein and in such Physical Security and the rules of the Depositary, and so long as the Securities are eligible for book-entry settlement with the Depositary, cause the transfer or exchange of such Physical Security to or for a beneficial interest in a Global Security. Upon receipt by the Registrar of (1) such Physical Security, duly endorsed as provided herein, (2) instructions from such Holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary by the same aggregate principal amount as the Physical Security to be transferred or exchanged, such instructions to contain the name or names of a member of, or participant in, the Depositary that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) in the case of a transfer, the assignment form on the back of the Physical Security completed in full, and (4) in the case of an exchange or transfer of Restricted Securities, an Affiliate Security, an SLP Security or a HH Security, such certifications or other information and/or legal opinions (which shall be required in the case of exchange or transfers of any Affiliate Security, SLP Security or HH Security by any Affiliated Entity, SLP Entity or HH Entity, as applicable, pursuant to Rule 144 under the Securities Act), as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee shall cancel or cause to be canceled such Physical Security and concurrently therewith shall cause, or direct the Registrar to cause, in accordance with the applicable procedures of the Depositary, an increase to the aggregate principal amount of the Global Security or issue a new Global Security by the same aggregate principal amount as the Physical Security canceled (and, if applicable, issue a new Physical Security to the transferring Holder where less than the full principal amount of the Physical Security being submitted for cancellation is transferred); *provided*, that in the case of any transfer of an Affiliate Security, an SLP Security or a HH Security to a Person taking delivery thereof as a beneficial interest in a Global Security, any such transfer shall be made only either (i) in a transaction complying with Rule 144, (ii) pursuant to an effective registration statement, such effectiveness to be certified by the Company to the Trustee, or (iii) to Persons who agree to be bound by the restrictions applicable to such Holders for so long as such transferred securities constitutes "restricted securities."

ARTICLE 2
MISCELLANEOUS

Section 2.01 *Ratification of Indenture.*

This Second Supplemental Indenture is an amendment supplemental to the Indenture and constitutes an integral part of the Indenture. The Indenture and this Second Supplemental Indenture will henceforth be read together. Except as expressly modified or amended hereby, the Indenture continues in full force and effect and is in all respects confirmed, ratified and preserved. Every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound by the Indenture as amended hereby.

Section 2.02 *Governing Law.*

THIS SECOND SUPPLEMENTAL INDENTURE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SECOND SUPPLEMENTAL INDENTURE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 2.03 *Counterparts*.

The parties may sign any number of copies of this Second Supplemental Indenture. Each signed copy shall be an original, but all of them together represent one and the same agreement. Delivery of an executed counterpart by facsimile or PDF shall be effective as delivery of a manually executed counterpart thereof.

[*The Remainder of This Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the date first above written.

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Chenchao Zhuang
Name:Chenchao Zhuang
Title:CEO

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Bradley Scarbrough
Name:Bradley Scarbrough
Title:Vice President

Exhibit 2.10

WAIVER LETTER

December 4, 2015

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Qunar Cayman Islands Limited 2015 Indenture)

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street
Haidian District
Beijing 100080
China
Attention: Yilu Zhao

Ladies and Gentlemen:

Reference is hereby made to that certain Indenture (as amended to date, and as it may hereafter be amended, supplemented or modified from time to time, the "**Indenture**"), dated as of June 17, 2015, by and between Qunar Cayman Islands Limited. (the "**Company**"), as the issuer of the 2% Convertible Senior Notes due 2021 under the Indenture (the "**Convertible Notes**"), and U.S. Bank National Association, as trustee under the Indenture. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Indenture.

Reference is hereby further made to Section 9.02 of the Indenture which provides that compliance with any provision of the Indenture or the Convertible Notes may be waived with the consent of the Holder of each outstanding Security affected. The undersigned (the "**Waiving Parties**"), being the holders of all of the outstanding Convertible Notes, desire to waive certain requirements set forth in the Indenture.

Each Waiving Party, in full understanding of the material facts, hereby irrevocably waives and relinquishes its right (the "**Conversion Right**") under Article 10 of the Indenture (and any of the other documents or instruments referred to therein) to convert the Convertible Notes held by it from the date hereof through to and including the Maturity Date (the "**Waiver Period**"), and hereby irrevocably agrees that it will not exercise its Conversion Right with respect to such Convertible Notes during the Waiver Period.

This waiver letter is intended to bind any successor, permitted assign, administrator and representative. The Company and its shareholders are beneficiaries of this waiver letter with full rights of enforcement of its terms.

This waiver letter shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

The waiver set forth herein is limited precisely as written and shall not be deemed to be a waiver or modification of any other term or condition of the Indenture, the Convertible Notes, or any of the other documents or instruments referred to therein, or to prejudice any right or rights which any of the undersigned entities (or any successor, permitted assign, administrator or representative thereof) may now have or may have in the future under or in connection with the Indenture, the Convertible Notes or any of the other documents or instruments referred to therein.

Except as expressly modified hereby, the Indenture and the Convertible Notes are and shall remain in full force and effect.

GAOLING FUND, L.P.

By: /s/ Tracy Ma
Name: Tracy Ma
Title: Authorized Signatory

Aggregate principal amount of Convertible Notes:

$163,400,000

YHG INVESTMENT, L.P.

By: /s/ Tracy Ma
Name: Tracy Ma
Title: Authorized Signatory

Aggregate principal amount of Convertible Notes:

$6,600,000

Exhibit 2.11

WAIVER LETTER

January 4, 2016

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: B. Scarbrough (Qunar Cayman Islands Limited 2015 Indenture)

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18,Yard 29, Suzhou Street
Haidian District
Beijing 10080
China
Attention: Yilu Zhao

Ladies and Gentlemen:

Reference is hereby made to that certain Indenture (as amended to date, and as it may hereafter be amended, supplemented or modified from time to time, the"**Indenture**"), dated as of June 17, 2015, by and between Qunar Cayman Islands Limited.(the"**Company**"), as the issuer of the 2% Convertible Senior Notes due 2021under the Indenture (the"**Convertible Notes**"),and U.S. Bank National Association, as trustee under the Indenture. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Indenture.

Reference is hereby further made to Section 9.02 of the Indenture which provides that compliance with any provision of the Indenture or the Convertible Notes may be waived with the consent of the Holder of each outstanding Security affected. The undersigned (the "**Waiving Party**"), being the Holder of the Convertible Notes in the principal amount of $330,000,000, desires to waive certain requirements set forth in the Indenture.

Reference is hereby further made to that certain Exchange Agreement (the "**Exchange Agreement**") by and among Ctrip.com International, Ltd. ("**Ctrip**") and SL Camel Holdco Limited, dated as of December 4, 2015, pursuant to which the Waiving Party has agreed to the transfer of all of the Convertible Notes it holds to Ctrip (the "**Exchange**").

The Waiving Party, in full understanding of the material facts, hereby irrevocably waives and relinquishes its right (the "**Conversion Right**") under Article 10 of the Indenture (and any of the other documents or instruments referred to therein, including the Securities) to convert the Convertible Notes held by it from the date hereof indefinitely for so long as the Convertible Notes are outstanding in connection with the Exchange, and hereby irrevocably agrees that it will not exercise its Conversion Right with respect to such Convertible Notes in perpetuity.

This waiver letter is intended to bind any successor, permitted assign, administrator and representative, including Ctrip.

This waiver letter shall be effective upon the release of this Waiver to the Trustee immediately prior to the closing of the Exchange (which is scheduled to take place on January 8, 2016), provided that the effectiveness of this waiver is conditional upon the closing of the Exchange pursuant to the Agreement, which release and closing shall be confirmed by email to the Trustee and the Company.

In addition, the Waiving Party hereby requests that the Company, upon the closing of the Exchange, issue and that the Trustee authenticate, a new Physical Security in the name of Ctrip with a natation to reflect the waiver of the Conversion Rights pursuant to this waiver letter.

This waiver letter shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

The waiver set forth herein is limited precisely as written and shall not be deemed to be a waiver or modification of any other term or condition of the Indenture, the Convertible Notes, or any of the other documents or instruments referred to therein, or to prejudice any right or rights which the Waiving Party (or any successor, permitted assign, administrator or representative thereof) may now have or may have in the future under or in connection with the Indenture, the Convertible Notes or any of the other documents or instruments referred to therein.

Except as expressly modified hereby, the Indenture and the Convertible Notes are and shall remain in full force and effect.

[Signature page follows]

SL CAMEL HOLDCO LIMITED

By: /s/ Kenneth Hao
Name: Kenneth Hao
Title: Director

Aggregate principal amount of Convertible Notes:

$330,000,000

Exhibit 4.1

QUNAR CAYMAN ISLANDS LIMITED

AMENDED AND RESTATED 2007 SHARE PLAN

ADOPTED ON NOVEMBER 8, 2007
AMENDED ON JULY 30, 2010
AMENDED ON JUNE 22, 2011
AMENDED ON DECEMBER 29, 2011
AMENDED ON AUGUST 10, 2012
AMENDED ON SEPTEMBER 24, 2013
AMENDED ON FEBRUARY 12, 2015

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QUNAR CAYMAN ISLANDS LIMITED
AMENDED AND RESTATED 2007 SHARE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of the Plan is to offer selected persons an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Stock. The Plan provides for the direct award or sale of Shares, a Letter of Entitlement, the grant of Options to purchase Shares, and other equity-based awards. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under Section 422 of the Code.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) Committees of the Board of Directors. The Plan may be administered by one or more Committees. Each Committee shall consist of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it in accordance with the Articles. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) Authority of the Board of Directors. Subject to the provisions of the Plan and the Articles, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Purchasers, all Optionees and all persons deriving their rights from a Purchaser or Optionee.

SECTION 3. ELIGIBILITY.

(a) General Rule. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Nonstatutory Options or the direct award or sale of Shares or a Letter of Entitlement. Only common law employees of (i) the Company, (ii) any "parent corporation" of the Company within the meaning of Section 424(e) of the Code, and (iii) any "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the date of grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the date of grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

SECTION 4. SHARES SUBJECT TO PLAN.

(a) Basic Limitation. Subject to Subsection (b) below and Section 8, the maximum number of Shares that may be issued under the Plan is 36,352,134 as of September 24,2013, and shall increase (i) on January 1, 2014 by 1.5% of the Company's then total outstanding Shares, (ii) on January 1 of each of 2015, 2016 and 2017 by 2.65% of the then outstanding Shares, and (iii) on January 1 of each year starting 2018 for the remainder of the term of the Plan by 1.5% of the then outstanding Shares. All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient authorized but unissued Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that Shares previously issued under the Plan are reacquired by the Company, an equivalent number of Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Share Purchase Agreement. Each award or sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Share Purchase Agreement between the Purchaser and the Company. No Shares or Letters of Entitlement with respect to such Shares may be issued unless the Purchaser (i) has delivered an executed copy of the Share Purchase Agreement to the Company or otherwise agrees to be bound by the terms of the Share Purchase Agreement, and (ii) has executed all instruments and documents requested by the Board of Directors, including but not limited to, the Shareholder Agreements. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Share Purchase Agreement. The provisions of the various Share Purchase Agreements entered into under the Plan need not be identical. An 80% Shareholder may direct a Redemption Request to cause the redemption of all Shares not owned by such 80% Shareholder. Upon the closing of a Redemption Request, all Shares and Letters of Entitlement are subject to immediate termination and cancellation without the right to receive any additional consideration.

(b) Duration of Offers and Nontransferability of Rights. Any right to acquire Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days after the grant of such right was communicated to the Purchaser by the Company. Such right shall not be transferable and shall be exercisable only by the Purchaser to whom such right was granted.

(c) Purchase Price. The Purchase Price of Shares to be offered under the Plan, if newly issued, shall not be less than the par value of such Shares. Subject to the preceding sentence, the Board of Directors shall determine the Purchase Price at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

(d) Withholding Taxes. As a condition to the purchase of Shares, the Purchaser shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such purchase.

(e) Restrictions on Transfer of Shares. Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Share Purchase Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. A Share Purchase Agreement may provide that Shares are transferable to an entity, upon consent of the Committee. Following any such transfer, the Shares shall remain subject to the same restrictions applicable to the Shares prior to such transfer. A Share Purchase Agreement may provide for accelerated vesting in the event of the Purchaser's death, disability or retirement or other events.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Share Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Share Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Share Option Agreement. The provisions of the various Share Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Share Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Share Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Share Option Agreement shall specify the Exercise Price. Subject to any requirement of applicable laws, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) Exercisability. Each Share Option Agreement shall specify the date when all or any installment of the Option is to become exercisable; *provided however,* that to the extent that the Option may be exercised, the Optionee upon exercise will only receive an entitlement to a future issuance of Shares, and will not actually receive Shares until the Stock is first Listed and other contingencies are satisfied. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Share Option Agreement to the Company or otherwise agrees to be bound by the terms of the Share Option Agreement, and (ii) has executed all instruments and documents requested by the Board of Directors, including but not limited to, the Shareholder Agreements. The Board of Directors shall determine the exercisability provisions of any Share Option Agreement at its sole discretion.

(e) Term. The Share Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the date of grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire. A Share Option Agreement may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service or death. An 80% Shareholder may at any time deliver a Redemption Request to cause the redemption of all Shares not owned by such 80% Shareholder. Upon the closing of a Redemption Request, all Options and Letters of Entitlement are subject to immediate termination and cancellation without the right to receive any consideration.

(f) Restrictions on Transfer of Shares. Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Share Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. A Stock Option Agreement may provide that Shares issued upon exercise of an Option are transferable to an entity, upon consent of the Committee. Following any such transfer, the Shares issued upon exercise of an Option shall remain subject to the same restrictions applicable to the Shares prior to such transfer.

(g) Transferability of Options. An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Share Option Agreement so provides, a Nonstatutory Option may be transferable by gift or domestic relations order to a Family Member of the Optionee. A Share Option Agreement may also provide that a Nonstatutory Option is transferable to an entity, upon consent of the Committee. Following any such transfer, the Option shall remain subject to the same restrictions applicable to the Option prior to such transfer. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. Notwithstanding the foregoing, an Option shall be transferable to the Company or Baidu Holdings Limited to the extent required by the Transaction Framework Agreement dated as of June [24], 2011 among the Company, Baidu Holdings Limited and the other parties thereto.

(h) Withholding Taxes. As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(i) No Rights as a Shareholder. An Optionee, or a transferee of an Optionee, shall have no rights as a shareholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise, paying the Exercise Price pursuant to the terms of such Option, and certain contingencies are satisfied.

(j) Modification, Extension and Assumption of Options. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

SECTION 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents from any lawful source of currency at the time when such Shares are purchased, except as otherwise provided in this Section 7.

(b) Services Rendered. At the discretion of the Board of Directors, Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award provided that no Share is issued for less then its par value paid in cash to the Company.

(c) Promissory Note. At the discretion of the Board of Directors, all or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest income under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) Surrender of Shares. At the discretion of the Board of Directors, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee in a manner determined by the Board of Directors to be consistent with applicable laws. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) Exercise/Sale. To the extent that a Share Option Agreement so provides, and if Shares are publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) Other Forms of Payment. To the extent that a Share Purchase Agreement or Share Option Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by applicable laws.

SECTION 8. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option and (iii) the Exercise Price under each outstanding Option and the repurchase price (if any) applicable to any Shares. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option and the repurchase price (if any) applicable to any Shares.

(b) Change in Control. In the event that the Company is subject to a Change in Control, outstanding Options and Shares acquired under the Plan shall be subject to the agreement evidencing the Change in Control, which need not treat all outstanding Options in an identical manner. Such agreement, without the Optionees' consent, may dispose of Options that are not vested as of the effective date of such Change in Control in any manner permitted by applicable law, including (without limitation) the cancellation of such Options without the payment of any consideration. Such agreement, without the Optionees' consent, shall provide for one or more of the following with respect to Options that are vested as of the effective date of such Change in Control:

(i) The continuation of such outstanding Options by the Company (if the Company is the surviving corporation).

(ii) The assumption of such outstanding Options by the surviving corporation or its parent in a manner that complies with Section 424(a) of the Code (whether or not such Options are ISOs).

(iii) The substitution by the surviving corporation or its parent of new options for such outstanding Options in a manner that complies with Section 424(a) of the Code (whether or not such Options are ISOs).

(iv) The cancellation of such outstanding Options and a payment to the Optionees equal to the excess of (A) the Fair Market Value of the Shares subject to such Options as of the closing date of such Change in Control over (B) their Exercise Price. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. If the Exercise Price of the Shares subject to such Options exceeds the Fair Market Value of such Shares as of the closing date of such Change in Control, then such Options may be cancelled without making a payment to the Optionees.

Immediately following a Change in Control, outstanding vested Options shall terminate and cease to be outstanding, except to the extent such Options have been continued, assumed or substituted, as described in Sections 8(b)(i), (ii) and/or (iii).

SECTION 9. SECURITIES LAW REQUIREMENTS AND CHOICE OF LAW.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded.

The Plan shall be governed by, and construed in accordance with, the laws of the Cayman Islands, as such laws are applied to contracts entered into and performed in such jurisdiction.

SECTION 10. NO RETENTION RIGHTS.

Subject to the requirements of applicable law and the applicable employment documentation (if any), nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Purchaser or the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent, Subsidiary, WFOE or ICP employing or retaining the Purchaser or Optionee) or of the Purchaser or Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause, provided, however, that this provision will not apply if applicable employment documentation or provisions of applicable law require otherwise.

SECTION 11. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to the approval of the Company's shareholders, as required by applicable law or the Articles. If the shareholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred under the Plan shall be rescinded and no additional grants, exercises or sales shall thereafter be made under the Plan. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's shareholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan shall be subject to the approval of the Company's shareholders if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 8) or (ii) materially changes the class of persons who are eligible for the grant of ISOs or is required by applicable law or the Articles. Shareholder approval shall not be required for any other amendment of the Plan. If the shareholders fail to approve an increase in the number of Shares reserved under Section 4 within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred in reliance on such increase shall be rescinded and no additional grants, exercises or sales shall thereafter be made in reliance on such increase.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 12. DEFINITIONS

(a) "**80% Shareholder**" shall mean a shareholder (together with its affiliates and associates) who owns 80% or more of the then outstanding shares of the Company.

(b) "**Articles**" shall mean the Amended and Restated Articles of Association of Qunar Cayman Islands Limited, as in effect and as amended from time to time.

(c) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time.

(d) "**Change in Control**" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity; (ii) the consummation of a transaction in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities, except that any change in the beneficial ownership of the securities of the Company as a result of a transaction that is approved by the Board of Directors shall not be deemed to be a Change in Control; or (iii) the dissolution, liquidation or winding up of the Company; provided that, for the avoidance of doubt, the redemption of Shares pursuant to a Redemption Request shall not constitute a Change in Control.

(e) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(f) "**Committee**" shall mean a committee of the Board of Directors, as described in Section 2(a).

(g) "**Company**" shall mean Qunar Cayman Islands Limited, a Cayman Islands exempted limited company.

(h) "**Consultant**" shall mean a person who performs bona fide services for the Company, a Parent, a Subsidiary, a WFOE, including Beijing Qunar Software Technology Co., Ltd. or an Internet Content Provider, including Beijing Qunar Information Technology Co., Ltd. as a consultant or advisor, excluding Employees and Outside Directors.

(i) "**Employee**" shall mean any individual who is an employee of the Company, a Parent, a Subsidiary, a WFOE, including Beijing Qunar Software Technology Co., Ltd. or an Internet Content Provider, including Beijing Qunar Information Technology Co., Ltd.

(j) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(k) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Share Option Agreement.

(l) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in accordance with applicable law. Such determination shall be conclusive and binding on all persons.

(m) "**Family Member**" shall mean (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Optionee's household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Optionee control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Optionee own more than 50% of the voting interests.

(n) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(o) "**Letter of Entitlement**" shall mean an instrument delivered to an Optionee exercising an Option (or a Purchaser under a Share Purchase Agreement) entitling the holder thereof to be issued Shares if certain contingencies are satisfied.

(p) "**Listed**" shall mean that the Stock is listed for trading on an established securities market that is officially recognized, sanctioned, or supervised by a governmental body, including without limitation the New York Stock Exchange and the Nasdaq Global Select Market.

(q) "**Nonstatutory Option**" shall mean a stock option not described in Sections 422(b) or 423(b) of the Code.

(r) "**Option**" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(s) "**Optionee**" shall mean a person who holds an Option or Letter of Entitlement.

(t) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(u) "**Parent**" shall mean any company (other than the Company) in an unbroken chain of companies ending with the Company, if each of the companies other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(v) "**Plan**" shall mean this Qunar Cayman Islands Limited Amended and Restated 2007 Share Plan.

(w) "**Purchase Price**" shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(x) "**Purchaser**" shall mean a person to whom the Board of Directors has offered the right to acquire Shares under the Plan (other than upon exercise of an Option).

(y) "**Redemption Request**" shall mean a request for redemption from an 80% Shareholder directed to the Company pursuant to the Articles.

(z) "**Service**" shall mean actual ongoing service to the Company, a Parent, a Subsidiary, a WFOE, including Beijing Qunar Software Technology Co., Ltd. or an Internet Content Provider, including Beijing Qunar Information Technology Co., Ltd. as an Employee, Consultant or Outside Director and specifically excludes periods of notice of termination of employment under applicable law or employment contracts whereby actual service is no longer provided, for example, when an Employee is paid in lieu of his/her notice period or when an Employee is asked to cease service immediately pursuant to a "garden leave" or a similar concept.

(aa) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(bb) "**Stock**" shall mean the ordinary shares of the Company.

(cc) "**Share Option Agreement**" shall mean the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(dd) "**Share Purchase Agreement**" shall mean the agreement between the Company and a Purchaser who acquires Shares under the Plan that contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

(ee) "**Shareholder Agreements**" shall mean the Amended and Restated Investors' Rights Agreement, the Transfer of Shares Agreement and the Amended and Restated Voting Agreement in respect of the Company, each entered into among the Company and the parties named therein on or about July 20, 2011, as may be amended from time to time.

(ff) "**Subsidiary**" shall mean any company (other than the Company) in an unbroken chain of companies beginning with the Company, if each of the companies other than the last company in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(gg) "**WFOE**" shall mean a wholly foreign owned enterprise of the Company.

Exhibit 4.14

Qunar Cayman Islands Limited

2015 SHARE INCENTIVE PLAN

ARTICLE I
PURPOSE

The purpose of this 2015 Share Incentive Plan (the "**Plan**") is to promote the success and enhance the value of Qunar Cayman Islands Limited, a Cayman Islands exempted limited company (the "**Company**"), by linking the personal interests of the Directors, Employees, and Consultants to those of the shareholders of the Company and by providing such individuals with an incentive for outstanding performance to generate superior returns to the shareholders of the Company. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of the Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate and securities laws of the Cayman Islands, the Code, the PRC tax laws, rules, regulations and government orders, the rules of any applicable stock exchange or national market system, and the laws and the rules of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under applicable securities laws from time to time.

2.3 "Articles" shall mean the Amended and Restated Articles of Association of the Company, as in effect and as amended from time to time.

2.4 "Award" means an Option, a Restricted Share award, or a Restricted Share Unit award granted to a Participant pursuant to the Plan.

2.5 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing the grant of an Award executed by the Company and the Participant and any amendment thereto, including through electronic medium.

2.6 "Board" means the Board of Directors of the Company.

2.7 "Change of Control" unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Change of Control; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Change of Control.

2.8 "Cause" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's Awards) a termination of employment or service based upon a finding by the Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been grossly negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a material breach of confidentiality, a material unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient; or has been convicted of, or plead guilty or nolo contendere to, a felony (other than minor traffic violations or similar offenses);

(d) has breached non-compete provisions in any agreement with the Service Recipient; or

(e) any other act or omission which is materially injurious to the financial condition or business reputation of the Company or any of its Subsidiaries or an affiliated entity

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.9 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.10 "Committee" means the committee of the Board described in Article X.

2.11 "Consultant" means the definition given to it in an Award Agreement, or if none, any consultant or adviser if the consultant or adviser renders bona fide services to a Service Recipient and is a natural person.

2.12 "Director" means a member of the Board or a member of the board of directors of any Parent, Subsidiary or Related Entity of the Company.

2.13 "Disability" means that the Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than one hundred eighty (180) consecutive days. In the event of dispute between the Company and Participant as to whether the Participant is disabled, the Participant may choose a medical doctor to make such a determination, provided that the Company must consent to the use of such doctor, which consent shall not be unreasonably withheld..

2.14 "Effective Date" shall have the meaning set forth in Section 11.1.

2.15 "Employee" means any person, including an officer or member of the Board of the Company, any Parent or Subsidiary of the Company, any Subsidiary of a Parent of the Company, or any Related Entity, who is in the employment of a Service Recipient. The payment of a director's fee by a Service Recipient shall not be sufficient to constitute "employment" by the Service Recipient.

2.16 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.17 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, the New York Stock Exchange or the NASDAQ Stock Market, the Fair Market Value of a Share shall be the closing sales price for such share (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the Fair Market Value of a Share shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith, including by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company's business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company's business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.18 "Group Entity" means any of the Company and Parents, Subsidiaries and Related Entities of the Company.

2.19 "Immediate Family" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in- law, brother-in-law or sister-in-law and shall include adoptive relationships.

2.20 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.21 "Independent Director" means a member of the Board who meets the independence standards under the applicable corporate governance rules of the stock exchange.

2.22 "Option" means a right granted to a Participant pursuant to Article V of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a non-qualified share option. Any Award Agreement that does not specify that the option granted thereunder is an Incentive Share Option shall be deemed a non-qualified share option.

2.23 "Participant" means a person who, as a Director, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.24 "Parent" means a parent corporation under Section 424(e) of the Code.

2.25 "Plan" means this 2015 Share Incentive Plan, as amended from time to time to the extent permitted by its terms.

2.26 "PRC" means the People's Republic of China.

2.27 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, or controls through contractual arrangements and consolidates the financial results according to the Applicable Accounting Standards, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.28 "Restricted Share" means a Share awarded to a Participant pursuant to Article VI that is subject to certain restrictions and may be subject to risk of forfeiture.

2.29 "Restricted Share Unit" means an Award granted pursuant to Article VII.

2.30 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.31 "Service Recipient" means the Company, any Parent, Subsidiary or Related Entity of the Company to which a Participant provides services as an Employee, Consultant or as a Director.

2.32 "Share" means the ordinary share of the Company, par value US$0.001 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article IX.

2.33 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company, or an affiliated entity that the Company controls through contractual arrangements and consolidates the financial results according to the Applicable Accounting Standards.

ARTICLE III
SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article IX and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards is 28,476,795 Shares.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Law, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by a Group Entity shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a).

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depositary Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depositary Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depositary Shares in lieu of Shares.

ARTICLE IV
ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals those to whom Awards shall be granted and shall determine the nature and amount of each Award.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants in various jurisdictions, the Committee may provide for such special terms in Award Agreements or otherwise as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, subject to Article XII hereof, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE V
OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares. To the extent not prohibited by Applicable Laws or any exchange rule, the Committee's downward adjustment of the exercise prices of Options shall be effective without the approval of the Company's shareholders or the approval of the affected Participants. With respect to any Options granted to a Participant who is subject to taxation in the United States, the exercise price per Share subject to an Option shall not be less than the Fair Market Value of a Share on the date the Option is granted.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 8.2. Unless otherwise provided in the Award Agreement or any other written agreement entered into by and between the Company and a Participant, the Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. Acceptable forms of payment by which the exercise price of an Option may be paid shall include, without limitation (i) cash or check denominated in U.S. Dollars, (ii) cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, (vii) any combination of the foregoing, or (viii) any other form of payment the Committee shall determine. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee not inconsistent with the terms of the Plan.

(e) Effects of Termination of Employment or Service on Options. Termination of employment or service shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. Unless otherwise provided in the Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. Unless otherwise provided in the Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or Disability:

(a) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively), will have until the date that is 12 months after the Participant's termination of Employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment on account of death or Disability;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service on account of death or Disability; and

(c) the Options, to the extent exercisable for the 12-month period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

(iii) Other Terminations of Employment or Service. Unless otherwise provided in the Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:

(a) the Participant will have until the date that is 90 days after the Participant's termination of Employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service; and

(c) the Options, to the extent exercisable for the 90-day period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. No Incentive Share Options may be granted to any individual unless the Plan is approved by shareholders consistent with the requirements of Section 422, including the timing requirements provided therein. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered non-qualified share options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE VI
RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee is authorized to make Awards of Restricted Shares to any Participant selected by the Committee in such number and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Shares shall be evidenced by an Award Agreement.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.4 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose in the applicable Award Agreement (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award.

6.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, that the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.6 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.7 Removal of Restrictions. Except as otherwise provided in this Article VI, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.6 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE VII
RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions not inconsistent with the terms of the Plan as the Committee, in its sole discretion, shall determine.

7.3 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify in the applicable Award Agreement the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE VIII
PROVISIONS APPLICABLE TO AWARDS

8.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

8.2 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award not inconsistent with the terms of the Plan which may include the term of an Award and the provisions applicable in the event the Participant's employment or service terminates.

8.3 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Group Entity, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Group Entity. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will, the laws of descent and distribution, or subject to the prior approval of the Committee or an executive officer or Director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's Immediate Family members or entities owned and controlled by the Participant and/or the Participant's Immediate Family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's Immediate Family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee or may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

8.4 Beneficiaries. Notwithstanding Section 8.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed reasonably necessary or appropriate by the Committee. If the Participant is married and resides in a community property jurisdiction, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.5 Share Certificates.

(a) Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

(b) Notwithstanding any other provision of the Plan, unless otherwise determined by the Committee or required by Applicable Laws, the Company shall not deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded on the books of the Company or, as applicable, its transfer agent or share plan administrator.

8.6 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.7 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award was acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the PRC, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE IX
CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as necessary to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards; and (c) the grant or exercise price per share for any outstanding Awards under the Plan; provided that any change under this section shall be subject to Article XII.

9.2 Change of Control. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, upon, or in anticipation of, a Change of Control, the Committee may in its sole discretion provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a reasonable period of time as the Committee shall determine, (ii) either the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested, (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion having a comparable value, the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Awards in cash based on the value of Shares on the date of the Change of Control plus reasonable interest on the Award through the date such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards — Other Changes. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, in the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article IX, the Committee may make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee considers appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan or applicable Award Agreement or any other written agreement entered into by and between the Company and a Participant, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE X
ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board or a committee of one or more members to whom the Board shall delegate the authority to administer the Plan (the "Committee"). The Committee shall have the authority to grant Awards to Participants and to determine the terms and conditions of Awards not inconsistent with the terms of the Plan, provided that any member of the Committee shall abstain from voting on matters where such member is interested in the outcome of the decision. Notwithstanding the foregoing, the full Board, acting by majority of its members in office, shall conduct the general administration of the Plan if required by Applicable Law or if required to exempt Awards from Section 16(b) of the Exchange Act.

10.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a Group Entity, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) Designate Participants to receive Awards;

(b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines not inconsistent with the terms of the Plan;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, including ordinary shares or American Depositary Receipts of another entity, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Subject to Article XII, establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(j) Reduce the exercise price per Share subject to an Option; and

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan, including design and adopt from time to time new types of Awards that are in compliance with Applicable Laws.

ARTICLE XI
EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. This Plan shall become effective as of the date on which the Plan is approved by the Board of the Company according to its Articles (the "**Effective Date**").

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE XII
AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan, *provided, however*, that (a) to the extent necessary and desirable to comply with Applicable Laws or stock exchange rules, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article IX), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1(b)(i), no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE XIII
GENERAL PROVISIONS

13.1 No Rights to Awards. Except as may otherwise be provided in any other written agreement entered into by and between the Company and a Participant, no Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. No Award gives the Participant any of the rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. The relevant Group Entity shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's payroll tax obligations) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's federal, state, local and foreign income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or service of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the relevant Group Entity.

13.6 Indemnification. To the extent allowable pursuant to Applicable Law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Articles, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of any Group Entity except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Group Entities.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. If an exercise of any Award shall result in the creation of a fractional Share under the Award, the Committee may determine, in its discretion, whether (i) such fractional Share shall be issued, or (ii) cash (in the amount equal to the product of such fraction multiplied by the Fair Market Value of a Share on the date the fractional Share otherwise would have been issued) shall be given in lieu of such fractional Share, or (iii) such fractional Share shall be eliminated by rounding up or down as appropriate.

13.11 Government and Other Regulations. The obligation of the Company to make payment of awards in Share or otherwise shall be subject to all Applicable Laws, rules, and regulations, and to such approvals by government agencies as may be required.

13.12 Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.14 Appendices. With the approval of the Board, the Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitations contained in Section 3.1 of the Plan without the approval of the Board.

Exhibit 4.15

EXECUTION COPY

Framework Agreement for Treatment of Qunar Employee Shares and Equity Awards

In order to continue to incentivize employees of Qunar Cayman Islands Limited ("**Qunar**") to continue to perform their duties diligently and align their interests with those of Qunar's shareholders, Qunar and Ctrip.com International, Ltd. ("**Ctrip**") hereby agree, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, as follows:

1. Subject to compliance with applicable U.S. securities rules and regulations, the relevant company's insider trading policy and approvals of this agreement by the board of directors of each of Qunar and Ctrip and the approval of the relevant grants by the compensation committee of Qunar, (i) all the outstanding ordinary shares or American depositary shares ("**ADSs**") of Qunar which are beneficially owned by current employees of Qunar as of the date of this agreement, (ii) all outstanding awards under Qunar's Amended and Restated 2007 Share Plan (the "**2007 Plan**") as of the date of this agreement and awards Qunar has committed to grant to employees in writing under the 2007 Plan in future periods as of the date of this agreement, when vested and exercised, and (iii) all awards to be granted under a new share incentive plan to be adopted by Qunar (the "**2015 Plan**"), when vested and exercised(subsections (i), (ii) and (iii) collectively, the "**Covered Equities**"), shall be convertible to Ctrip ADSs at a ratio of 1 Qunar ADS to 0.725 Ctrip ADS (the "**Share Exchange**"), which is the same ratio used in the October 2015 share exchange between Ctrip and Qunar's shareholder Baidu, Inc., subject to adjustment for any stock split, stock dividend, change in the ratio of ordinary shares to ADSs (including the ADS ratio change, effective from December 1, 2015, whereby eight Ctrip ADSs (instead of four Ctrip ADSs) will represent one Ctrip ordinary share), or similar event affecting Qunar or Ctrip ordinary shares or ADSs, in which event the holders of the Covered Equities shall be treated no worse than any holder of Ctrip's outstanding ordinary shares or ADSs (the "**Conversion Ratio**").

   The grant amounts, vesting schedules, and applicable conditions for the grantees shall be agreed in writing between Ctrip and Qunar, and the relevant details for certain senior employees of Qunar (each, an "**Executive**") shall be separately provided for in an executive awards treatment agreement (the "**Executive Awards Treatment Agreement**") among each Executive, Ctrip and Qunar.

2. Qunar shall be entitled to grant to employees share incentives in the form of options with an exercise price of US$0.01 per ordinary share from an additional pool with the total number of shares issuable underlying the options being equivalent to 3,492,162 Qunar ADSs, which is equivalent to 2.65% of Qunar's total outstanding shares as of September 30, 2015. Awards from such additional pool (the "**Additional Qunar Pool**") shall be granted under the 2015 Plan, subject to approval by Qunar's board of directors (the "**Qunar Board**"). For the avoidance of any doubt, all awards authorized for grant under the 2015 Plan as of the date of this agreement will be granted to the current employees (including those that are promoted during the fourth quarter of 2015) of Qunar as of the date of this agreement, unless such awards are terminated or forfeited after grant in which case the underlying shares may be used for award grants to future employees hired after the date of this agreement. The total number of shares underlying the awards issuable under the 2015 Plan shall be 28,476,795.

The principal terms of awards to be granted pursuant to this agreement such as the aggregate total amount of grants and the timing of the grants shall be subject to approval by the Qunar Board, except as otherwise provided hereunder or under an Executive Awards Treatment Agreement. The list of grantees, the specific amount of awards and vesting conditions for each grantee shall be submitted for confirmation after the funding date as mutually agreed by Qunar and Ctrip (the "**Funding Date**") to a panel comprised of the persons agreed by Qunar and Ctrip (the "**Presiding Panel**") before any Ctrip ADSs are delivered to employees, except award grants to specific individuals provided for under an Executive Awards Treatment Agreement shall not be subject to such process.

Starting from the end of the sale period as mutually agreed by Qunar and Ctrip (the "**Sale Period**"), holders of Covered Equities shall not be permitted to sell any Covered Equities until they are converted into Ctrip ADSs. The award agreements for the new awards to be granted pursuant to this agreement and the amended award agreements for the outstanding awards under the 2007 Plan for the relevant Covered Equities (each, an "**Award Agreement**") shall provide that such awards shall be settled in or immediately converted to Ctrip ADSs upon due conversion (at the Conversion Ratio).

3. (a) For ease of administration, the Share Exchanges shall take place though three special purpose vehicles mutually agreed by Qunar and Ctrip (the "**SPVs**"), which shall be administrated by the respective panels consisting of the persons mutually agreed by Ctrip and Qunar. The panels shall, with advice from legal counsel, design procedures pursuant to which the Ctrip ADSs are transferred to the relevant grantees who hold Covered Equities. Subject to compliance with applicable U.S. securities rules and regulations and Qunar's insider trading policy, the SPVs shall deliver the corresponding number of Ctrip ADSs based on the Conversion Ratio upon the relevant grantee's surrender of Qunar's ordinary shares or ADSs to an entity designated by Ctrip.

Unless otherwise agreed to by Qunar and Ctrip, prior to the Funding Date, Ctrip shall cause, and Qunar shall facilitate, the filing and effectiveness of a registration statement on Form F-3 (or any equivalent registration statement under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) for the purpose of registering Ctrip ordinary shares underlying Ctrip ADSs (the "**Registration Statement**") in an amount to be confirmed in writing between the parties prior to the Funding Date and to be issued under this Section 3 (based on the Conversion Ratio).

(b) Ctrip and Qunar shall, and shall procure the SPVs to, take all actions necessary to effect the deposit of Ctrip ordinary shares with Ctrip's ADS depositary bank such that the SPVs will receive unrestricted Ctrip ADSs on the Funding Date.

Qunar shall pay all fees charged by the ADS depositary bank and expenses incurred in relation to the deposit of all Ctrip ordinary shares and conversion of the Ctrip ADSs hereunder.

Qunar and Ctrip shall cooperate to facilitate the detailed administrative process for the operation of Share Exchanges through SPVs after the signing of this agreement.

4. Upon the execution of the relevant Award Agreement, each of all other Qunar employees who is not an Executive as of the date of this agreement shall be granted, subject to such person's compliance with his/her employment agreement and/or labor service contract with Qunar in all material aspects, (i) certain number of new awards from the Additional Qunar Pool, which shall be fully vested upon the date of grant (the "**New Vested Employee Awards**") under the Award Agreement, and (ii) certain number of new awards from the Additional Qunar Pool, which shall vest on a quarterly basis on the same vesting schedule as such employee's outstanding awards under the 2007 Plan as of the date of this agreement. Such numbers shall be mutually agreed by Ctrip and Qunar.

   The amount of awards equivalent to the New Vested Employee Awards, or the equivalent cash amount if such awards have been exercised, shall be withheld and deposited with an account held by the relevant SPV mutually agreed by Ctrip and Qunar under escrow and shall be released to the employee immediately after the conditions mutually agreed in writing by Qunar and Ctrip, including non-competition covenants, have been satisfied. Any dispute regarding compliance with the conditions provided in the preceding sentence shall be resolved by a majority vote of the Presiding Panel.

5. Ctrip and Qunar shall mutually agree how to treat the then outstanding Covered Equities in the event of a change in control transaction of Qunar or Ctrip.

6. Certain employees of Qunar shall agree to abide by certain non-competition covenants to be agreed by the parties in writing and the Executives shall agree to abide by non-competition and other covenants during a compliance period to be agreed by the parties in writing.

7. For the avoidance of doubt, all Ctrip ordinary shares or ADSs referred to herein shall be registered by Ctrip under the Securities Act, or offered by Ctrip pursuant to a valid exemption from the registration requirements of the Securities Act. Both Qunar and Ctrip shall take any necessary actions in order to enable the issuance, grant or transfer of Ctrip or Qunar ADSs as described in this agreement, free of any selling or transfer restrictions.

   Notwithstanding anything to the contrary in this agreement, Qunar and Ctrip shall, and shall cause their respective employees, directors, consultants or advisors who are involved in the discussion of any matter hereunder or have knowledge of this agreement to keep strictly confidential this agreement and all the matters, arrangements or transactions related to this agreement.

8. The employees of Qunar and future recipients of equity awards described in this agreement, and their successors or assigns, shall be express third parties beneficiaries of this agreement. No other party shall be permitted to rely on this agreement or is intended to be a third party beneficiary hereunder.

9. Upon the signing of this Agreement, the Agreement shall retroactively be effective on November 18, 2015. This Agreement and the other ancillary documents dated hereof or hereafter, together with all schedules and exhibits hereto and thereto, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all other agreements between the parties with respect to the subject matters hereof and thereof except the applicable Executive Awards Treatment Agreements executed prior to the date hereof, which shall remain effective and be subject to the provision of the Agreement.

10. This agreement shall be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of New York applicable to contracts executed solely in New York and to be performed entirely within that State. This agreement constitutes the entire agreement of the parties relating to the subject matter addressed in this agreement. This agreement supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Agreement, whether oral or written.

11. The parties agree that to the extent permitted by law, any dispute or controversy arising out of, relating to, or in connection with this agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, will be settled by arbitration to be held at a location in Hong Kong administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The tribunal will consist of three arbitrators. Each of Ctrip and Qunar shall appoint one arbitrator. The third arbitrator, who shall serve as chairperson of the arbitral tribunal, shall be selected by the mutual agreement of the first two party-appointed arbitrators. The place of arbitration will be Hong Kong. The language to be used in the arbitral proceedings will be English. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this agreement as of December 9, 2015.

CTRIP.COM INTERNATIONAL LTD.

By: /s/ Jie Sun
Name:Jie Sun
Title:Co-President & COO

[Signature Page to Framework Agreement]

IN WITNESS WHEREOF, the parties have executed this agreement as of December 9, 2015

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Yilu Zhao
Name: Yilu Zhao
Title: Chief Financial Officer

Exhibit 4.16

Loan Agreement

This Loan Agreement (hereinafter referred to as this "**Agreement**") is entered into in Changning District, Shanghai Municipality, PRC as of March 10, 2016, by and between:

Party A: Qunar Cayman Islands Limited
Address:

Party B: C-Travel International Limited
Address:

(collectively, the "**Parties**", and each a "**Party**")

WHEREAS:

Party B, in order to fund its daily working capital, intends to borrow the loan from Party A, and Part A agrees to provide the loan to Party B.

NOW, THEREFORE, the Parties through consultation hereby agree upon, and shall be bound by, the following terms:

1. Loan

1.1 Party A agrees to lend to Party B 285,000,000 US Dollars in the aggregate (hereinafter referred to as the "**Loan**"). The term of the Loan shall commence from March 10, 2016 (hereinafter referred to as the "Commencement Date") until March 9, 2019. Party A shall disburse the Loan to the bank account as set below in a lump sum before the Commencement Date. Once Part A has completed such remittance, Party A's obligations to disburse the Loan shall be deemed to be fully discharged.

Account name: C-TRAVEL INTERNATIONAL LIMITED

Account number: **********

Accounting bank: **********

1.2 The Loan under this Agreement is interest-free, and Party B is not required to pay interest to Party A.

2. Purpose of Loan

2.1 Party B undertakes that the received proceeds of the Loan shall be used to fund its daily working capital. Party B shall not use the proceeds for any other purpose without Party A's written consent.

3. Repayment

3.1 Party B shall repay the Loan to Party A on or prior to the maturity date of the Loan. Part B may repay the loan in advance according to the actual usage of funds, provided that Party B shall notify Party A of such early repayment fifteen (15) days in advance.

3.2 In the event that Party B cannot repay the Loan on schedule, Party B shall make an extension application to Party A at least thirty (30) days before the maturity date of the Loan, and Party A may decide to approve the extension or not according to the actual situation.

3.3 If Party A requires early repayment temporarily, Party A shall deliver sixty (60) days' notice in advance to Party B. This Agreement shall terminate upon Party B having repaid all the Loan to Party A.

4. Breach of Agreement

4.1 Upon the happening of any of the following event:

(1) if Party B fails to repay the Loan when due in accordance with this Agreement even after Party A's written demand;
(2) if Party B ceases to carry on its business, or is declared bankrupt, dissolved, revoked of its business license, canceled, or involved in material economic disputes, or experiences deterioration of financial conditions;
(3) if Party B fails to use the Loan in accordance with the purpose specified in this Agreement; or
(4) if any significant events happened to Party B which will or may endanger or damage Party A's rights and interest.

Party A shall have the right to demand Party B to repay the Loan and other expenses immediately. The date on which Party A demands Party B to repay the foresaid amount shall be the maturity date of the Loan under this Agreement.

4.2 If Party B fails to repay the principal on schedule, Party A shall have the right to charge Party B at a rate of 0.01% per day of the principal as penalty for late repayment.

5. Taxation and Expenses

5.1 Each party shall bear its own cost pursuant to the laws of Hong Kong in connection with the preparation and execution of this Agreement and the performance of the transaction under this Agreement, including but not limit to any and all transfer and registration taxes, expenses and costs incurred.

6. Force Majeure

6.1 "**Force Majeure**" means any event which is beyond the reasonable control of any party and which by the exercise of reasonable care the Party affected is unable to avoid, including but not limited to governmental act, natural force, fire, explosion, storm, flood, earthquake, tide, lightning or war. However, the insufficient in credit-worthiness, funds and financing shall not be regarded as matters beyond the reasonable control of one Party. Any Party seeking to exempt its liabilities of performance hereunder as the result of Force Majeure, shall notify the other Party of such matter of exemption as soon as possible and shall inform the other Party the steps it would need to take to fulfill the performance.

6.2 If a Party is prevented or delayed from performing any of its obligations under this Agreement due to the Force Majeure, the Party affected is excused performance of such obligations hereunder within the scope of such prevention or delay. The Party affected shall take reasonable steps to minimize or eliminate the effect as the result of Force Majeure and shall exercise efforts to resume the performance prevented or delayed due to Force Majeure. Once the event of Force Majeure eliminated, each party agrees to use its best efforts to resume the performance of its obligations under this Agreement.

7. Confidentiality

7.1 Each Party agrees to takes it best and reasonable effort to keep any confidential data or information received in connection with this cooperation between both Parties (hereinafter referred to as the "**Confidential Information**") in confidential. No Party shall disclose, afford or transfer the Confidential Information to any third party without obtaining the other party's written consent in advance.

7.2 Both Parties agree that the Clause 7.1 shall continue to apply after amendment, cancellation or termination of this Agreement without limit in time.

8. Dispute Resolution

8.1 Any dispute arising out of or relating to this Agreement, or the interpretation or performance hereof, shall first be subject to resolution through consultation in good faith of the Parties to such dispute. If the dispute cannot be resolved through consultation, the dispute can be submitted to the Hong Kong International Arbitration Centre (the "HKIAC") by either party, and shall be settled in accordance with the HKIAC's rules then in effect. The arbitration shall be conducted in Hong Kong, and the arbitration proceedings shall be conducted in Chinese. The award of the arbitration shall be final and binding on the Parties.

8.2 This Agreement shall be governed by the laws of the Hong Kong Special Administrative Region.

9. Miscellaneous

9.1 The headings in this Agreement are used for convenience only and shall not be considered in construing or interpreting this Agreement or otherwise affect the meanings of provisions of this Agreement.

9.2 The Parties agree to quickly sign any documents which are reasonable and necessary for carrying out the provisions and purpose of this Agreement or which are favorable for the Parties, and to take further actions reasonable and necessary or favorable for the Parties to carry out the provisions and purpose of this Agreement.

9.3 The Parties confirm that, upon coming into effect, this Agreement constitutes the entire agreement and consensus between the Parties in respect of the subject matters of this Agreement and supersede any previous oral and/or written agreements and consensus relating to the subject matters hereof.

9.4 If one or more provisions of this Agreement shall be void, invalid, illegal or unenforceable under any applicable laws or upon a ruling made by the competent court or an arbitral award made by an arbitration institution, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any way. The Parties hereto shall cease to fulfill the void, invalid, illegal or unenforceable provisions and shall modify such provisions within the scope closest to the original meaning of such provisions only to the degree that the modification to such provisions are valid and enforceable to such specific facts and conditions.

9.5 Party B shall not assign any of its rights, interests or obligations under this Agreement without the prior written consent of Party A.

9.6 Either Party's failure to exercise of its rights under this Agreement in a timely manner shall neither constitute its waiver of such right, nor affect the Party's future exercise of such rights.

9.7 Matters not mentioned herein shall be settled in separate supplementary agreements by the Parties. The Parties hereto may amend or supplement this Agreement by means of written agreements. The amended agreements and/or supplementary agreements duly signed by both Parties hereto shall be an integral part of this Agreement, with the same force and effect.

9.8 This Agreement shall be executed in two (2) sets of originals which shall have the same legal effect, and each party shall hold one (1) set.

[Remainder of this page is intentionally left blank.]

[Signature Page to the Loan Agreement]

Party A: Qunar Cayman Islands Limited
Sealed by Company or Signed by Authorized Representative:

Party B: C-TRAVEL INTERNATIONAL LIMITED
Sealed by Company or Signed by Authorized Representative:

Exhibit 4.17

Loan Agreement

This Loan Agreement (hereinafter referred to as this "**Agreement**") is entered into in Changning District, Shanghai Municipality, PRC as of March 10, 2016, by and between:

Party A: Ctrip Travel Network Technology (Shanghai) Co., Ltd.
Address: SOHO, No. 968 Jinzhong Road, Shanghai

Party B: Beijing Qunar Software Technology Co., Ltd.
Address: 17th Floor, Viva Plaza, Yard 29, Suzhou Street, Haidian District,Beijing, China

(collectively, the "**Parties**", and each a "**Party**")

WHEREAS:

Party B, in order to fund its working capital, intends to borrow the loan from Party A, and Part A agrees to provide the loan to Party B.

NOW, THEREFORE, the Parties through consultation hereby agree upon, and shall be bound by, the following terms:

1. Loan

1.1 Party A agrees to lend to Party B RMB 1,773,800,000 in the aggregate (hereinafter referred to as the "**Loan**"). The term of the Loan shall commence from March 10, 2016 (hereinafter referred to as the "Commencement Date") until March 9, 2019. Party A shall disburse the Loan to the bank account as set below in a lump sum before the Commencement Date. Once Part A has completed such remittance, Party A's obligations to disburse the Loan shall be deemed to be fully discharged.

Account name: Beijing Qunar Software Technology Co., Ltd.

Account number: **********

Accounting bank: **********

1.2 The Loan under this Agreement is interest-free, and Party B is not required to pay interest to Party A.

2. Purpose of Loan

2.1 Party B undertakes that the received proceeds of the Loan shall be used to fund its working capital. Party B shall not use the proceeds for any other purpose without Party A's written consent.

3. Repayment

3.1 Party B shall repay the Loan to Party A on or prior to the maturity date of the Loan. Part B may repay the loan in advance according to the actual usage of funds, provided that Party B shall notify Party A of such early repayment fifteen (15) days in advance.

3.2 In the event that Party B cannot repay the Loan on schedule, Party B shall make an extension application to Party A at least thirty (30) days before the maturity date of the Loan, and Party A may decide to approve the extension or not according to the actual situation.

3.3 If Party A requires early repayment temporarily, Party A shall deliver sixty (60) days' notice in advance to Party B. This Agreement shall terminate upon Party B having repaid all the Loan to Party A.

4. Breach of Agreement

4.1 Upon the happening of any of the following event:

(1) if Party B fails to repay the Loan when due in accordance with this Agreement even after Party A's written demand;
(2) if Party B ceases to carry on its business, or is declared bankrupt, dissolved, revoked of its business license, canceled, or involved in material economic disputes, or experiences deterioration of financial conditions;
(3) if Party B fails to use the Loan in accordance with the purpose specified in this Agreement; or
(4) if any significant events happened to Party B which will or may endanger or damage Party A's rights and interest.

Party A shall have the right to demand Party B to repay the Loan and other expenses immediately. The date on which Party A demands Party B to repay the foresaid amount shall be the maturity date of the Loan under this Agreement.

4.2 If Party B fails to repay the principal on schedule, Party A shall have the right to charge Party B at a rate of 0.01% per day of the principal as penalty for late repayment.

5. Taxation and Expenses

5.1 Each party shall bear its own cost pursuant to the laws of the People's Republic of China in connection with the preparation and execution of this Agreement and the performance of the transaction under this Agreement, including but not limit to any and all transfer and registration taxes, expenses and costs incurred.

6. Force Majeure

6.1 "**Force Majeure**" means any event which is beyond the reasonable control of any party and which by the exercise of reasonable care the Party affected is unable to avoid, including but not limited to governmental act, natural force, fire, explosion, storm, flood, earthquake, tide, lightning or war. However, the insufficient in credit-worthiness, funds and financing shall not be regarded as matters beyond the reasonable control of one Party. Any Party seeking to exempt its liabilities of performance hereunder as the result of Force Majeure, shall notify the other Party of such matter of exemption as soon as possible and shall inform the other Party the steps it would need to take to fulfill the performance.

6.2 If a Party is prevented or delayed from performing any of its obligations under this Agreement due to the Force Majeure, the Party affected is excused performance of such obligations hereunder within the scope of such prevention or delay. The Party affected shall take reasonable steps to minimize or eliminate the effect as the result of Force Majeure and shall exercise efforts to resume the performance prevented or delayed due to Force Majeure. Once the event of Force Majeure eliminated, each party agrees to use its best efforts to resume the performance of its obligations under this Agreement.

7. Confidentiality

7.1 Each Party agrees to takes it best and reasonable effort to keep any confidential data or information received in connection with this cooperation between both Parties (hereinafter referred to as the "**Confidential Information**") in confidential. No Party shall disclose, afford or transfer the Confidential Information to any third party without obtaining the other party's written consent in advance.

7.2 Both Parties agree that the Clause 7.1 shall continue to apply after amendment, cancellation or termination of this Agreement without limit in time.

8. Dispute Resolution

8.1 Any dispute arising out of or relating to this Agreement, or the interpretation or performance hereof, shall first be subject to resolution through consultation in good faith of the Parties to such dispute. If the dispute cannot be resolved through consultation, the dispute can be submitted to the people's court in the place where the plaintiff is located.

8.2 This Agreement shall be governed by the laws of the People's Republic of China.

9. Miscellaneous

9.1 The headings in this Agreement are used for convenience only and shall not be considered in construing or interpreting this Agreement or otherwise affect the meanings of provisions of this Agreement.

9.2 The Parties agree to quickly sign any documents which are reasonable and necessary for carrying out the provisions and purpose of this Agreement or which are favorable for the Parties, and to take further actions reasonable and necessary or favorable for the Parties to carry out the provisions and purpose of this Agreement.

9.3 The Parties confirm that, upon coming into effect, this Agreement constitutes the entire agreement and consensus between the Parties in respect of the subject matters of this Agreement and supersede any previous oral and/or written agreements and consensus relating to the subject matters hereof.

9.4 If one or more provisions of this Agreement shall be void, invalid, illegal or unenforceable under any applicable laws or upon a ruling made by the competent court or an arbitral award made by an arbitration institution, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any way. The Parties hereto shall cease to fulfill the void, invalid, illegal or unenforceable provisions and shall modify such provisions within the scope closest to the original meaning of such provisions only to the degree that the modification to such provisions are valid and enforceable to such specific facts and conditions.

9.5 Party B shall not assign any of its rights, interests or obligations under this Agreement without the prior written consent of Party A.

9.6 Either Party's failure to exercise of its rights under this Agreement in a timely manner shall neither constitute its waiver of such right, nor affect the Party's future exercise of such rights.

9.7 Matters not mentioned herein shall be settled in separate supplementary agreements by the Parties. The Parties hereto may amend or supplement this Agreement by means of written agreements. The amended agreements and/or supplementary agreements duly signed by both Parties hereto shall be an integral part of this Agreement, with the same force and effect.

9.8 This Agreement shall be executed in two (2) sets of originals which shall have the same legal effect, and each party shall hold one (1) set.

[Remainder of this page is intentionally left blank.]

[Signature Page to the Loan Agreement]

Party A: Ctrip Travel Network Technology (Shanghai) Co., Ltd.
Sealed by Company or Signed by Authorized Representative:

Party B: Beijing Qunar Software Technology Co., Ltd.
Sealed by Company or Signed by Authorized Representative:

Exhibit 4.18

Restated

Exclusive Technical Consulting and

Services Agreement

---

between

Beijing Qu Na Information Technology Co., Ltd.

and

Beijing Qunar Software Technology Co., Ltd.

2016

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EXHIBIT:

I. SCOPE OF SERVICES
II. CALCULATION AND PAYMENT OF THE SERVICE FEE

THIS **RESTATED EXCLUSIVE TECHNICAL CONSLUTING AND SERVICES AGREEMENT** (**Agreement**) is entered into on March 23, 2016 (**Execution Date**) in Beijing, the People's Republic of China (**PRC**).

By and between

(1) **Beijing Qu Na Information Technology Co., Ltd. (北京趣拿信息技术有限公司)**, a limited liability company registered in Beijing, with its registered address at Room 1709 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China (**Party A**);

and

(2) **Beijing Qunar Software Technology Co., Ltd.（北京趣拿软件科技有限公司）**, a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1701-1707, 1710-1720,17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China (**Party B**).

Recitals

A. Party A is a domestic company duly incorporated and validly existing under the laws of the PRC, and is an operating vehicle of the website www.qunar.com, Party A wishes to develop its technology, improve its management and increase and enhance its market position.

B. Party B is a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, which holds the resources and qualifications for technical and consulting services. Party B is engaged in research and development relating to networks and has expertise in providing technical training and consulting services.

C. The parties entered into an Exclusive Technical Consulting and Services Agreement (独家技术咨询和服务协议，**Original Agreement**) on October 27, 2006, pursuant to which Party B was willing to provide to Party A, and Party A was willing to accept exclusively from Party B, technical and consulting services.

D. Party A and Party B have strictly complied with all stipulations under the Original Agreement. After mutual negotiation, Party A and Party B believe it in the best interest of both parties to restate the Original Agreement. Party A and Party B further acknowledge that this Agreement does not substantially change the Original Agreement, and the provisions of this Agreement reflect the intention of the parties when they executed the Original agreement.

NOW, THEREFORE, the parties agree as follows:

1. APPOINTMENT AND PROVISION OF SERVICES

1.1 **Scope of Services.** Party A hereby appoints Party B to provide Party A with the Services detailed in the Exhibit I (**Services**).

1.2 **Provision of Services.** The parties agree that Party B shall provide the Services to Party A on an exclusive basis, for the duration of the term of this Agreement and at standards commonly accepted in the market. For the duration of the term of this Agreement, Party A may not enter into any agreement with any third party for the provision of the Services without prior written consent from Party B.

2. INTELLECTUAL PROPERTY RIGHTS

The parties agree that the intellectual property rights created by Party B in the course of performing this Agreement (including without limitation any copyrights, trademarks or logos registered or not, patents and proprietary technology), shall belong to Party B.

3. SERVICE FEE AND PAYMENT

3.1 **Service Fee.** The parties agree that the Service Fee under this Agreement shall be determined according to the Exhibit II.

3.2 **Payment Method.** Party B shall, within the first 5 business days of each month, provide Party A with written statement of the service fee spent providing the Services during the previous month. Party A shall confirm to Party B in writing within 3 business days of receipt that the service see is correct. If Party A fails to provide such confirmation on time, Party A shall be deemed to have confirmed Party B's statement. Party A shall pay the service fee to Party B's designated account within 10 business days after confirming the service fee provided in Party B's written statement.

4. REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that, as of the date of signing hereof:

4.1 it has full power and authority as an independent legal person to execute and deliver this Agreement and to carry out its responsibilities and obligations hereunder;

4.2 its execution and performance of this Agreement will not result in a breach of any law, regulation, authorization or agreement to which it is subject.

5. CONFIDENTIALITY

5.1 **Confidentiality Obligations**. The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by laws or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.

5.2 **Obligations upon Termination**. Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.

5.3 **No Time Limit**. There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

6. BREACH

6.1 **Written Notice.** If a party breaches any of its respective representations, warranties or obligations under this Agreement, the non-breaching party may send a written notice to the breaching party demanding rectification within 10 days.

6.2 **Compensation.** The breaching party shall be liable to compensate the non-breaching party for any losses it has sustained as a result of the breach, including loss of profits.

7. FORCE MAJEURE

7.1 **Definition.** The term Force Majeure refers to any unforeseeable (or if foreseeable, reasonably unavoidable), event beyond the reasonable control of any party which prevents the performance of this Agreement, including without limitation acts of government, acts of nature, fire, explosion, typhoon, flood, earthquake, tide, lightning and war, but excluding any shortage of credit.

7.2 **Exemption.** Where either party fails to perform this Agreement in full or in part due to Force Majeure, such party shall be exempted from its responsibilities hereunder, to the extent of the Force Majeure in question and except where PRC laws provides otherwise. For the avoidance of doubt, a party shall not be excused from performing its obligations hereunder where Force Majeure occurs following the delay by that party to perform this Agreement.

7.3 **Notice.** Should either party be unable to perform this Agreement as a result of Force Majeure, it shall inform the other party, as soon as possible following the occurrence of such Force Majeure, of the situation and the reason(s) for non-performance, so as to minimize any losses incurred by the other party as a consequence thereof. Furthermore, within a reasonable time after notice of Force Majeure has been given, the party encountering Force Majeure shall provide to the other party a legal certificate issued by a public notary (or other appropriate organization) of the place wherein the Force Majeure occurred, in witness of the same.

7.4 **Mitigation.** The party affected by Force Majeure may suspend the performance of its obligations under this Agreement until any disruption resulting from the Force Majeure has been resolved. However, such party shall make every effort to eliminate any obstacles resulting from the Force Majeure, thereby minimizing to the greatest extent possible the adverse effects of such, as well as any resulting losses.

8. TERM AND EXTENSION

This Agreement shall enter into effect as of the date first indicated above and shall continue to be in effect until it is terminated by Party B or under Clause 9 of this Agreement. Party A shall not terminate unilaterally this Agreement.

9. TERMINATION

9.1 **Early Termination.** This Agreement may be terminated early in the following situations:

9.1.1 with the mutual written consent of the parties following consultation;

9.1.2 in case of a Force Majeure event prevailing for 30 days or longer, the parties shall discuss whether performance under this Agreement shall be partially exempted or postponed according to the degree by which such performance is affected by the Force Majeure event;

9.1.3 by Party B, in its sole discretion, with 30 days' prior written notice to Party A at any time; or

9.1.4 in case that either of the parties can't maintain its corporate existence.

9.2 **Survival of Obligations.** The expiry or early termination of this Agreement for any reason whatsoever shall not affect the payment obligations of the parties hereunder, the respective liability of the parties for damages or the confidentiality obligations of the parties.

10. MISCELLANEOUS

10.1 **Notices and Delivery.** All notices and communications between the parties shall be written in English or Chinese and delivered in person (including courier service), by facsimile transmission or by registered mail to the appropriate addresses set forth below:

Party A

Address	:	Room 1709 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing,China
Tel	:	010-5760 3000

Party B

Address	:	Room 1701-1707, 1710-1720, 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing,China
Tel	:	010-5760 3000

10.2 **Timing.** The time of receipt of the notice or communication shall be deemed to be:

10.2.1 if in person (including courier), at the time of signing of a receipt by the receiving party or a duly authorized person at the receiving party's address;

10.2.2 if by facsimile transmission, at the time displayed in the corresponding transmission record, unless such facsimile is sent after 5:00 p.m. or on a non-business day in the place of receipt, in which case the date of receipt shall be deemed to be the following business day; or

10.2.3 if by registered mail, on the 10th day after the date of the receipt of the registered mail.

10.3 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.

10.4 **Severability.** The provisions of this Agreement are severable from each other. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

10.5 **Successors.** This Agreement shall be valid and binding upon the parties and upon their respective successors and assigns (if any).

10.6 **Assignment.** Party A shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party B. Party B may transfer its rights or obligations under this Agreement to any third party without the consent of Party A, but shall inform Party A of the above assignment.

10.7 **Governing Law.** The execution, validity, interpretation and implementation of this Agreement and the settlement of disputes hereunder shall be governed by PRC laws.

10.8 **Arbitration.**

10.8.1 If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.

10.8.2 If the dispute cannot be resolved in the above manner within 30 days after the commencement of the consultation or mediation, either party may submit the dispute to arbitration as follows:

10.8.2.1 all disputes arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the Commission's then-current rules; and

10.8.2.2 the arbitration shall be held in Beijing and conducted in the English language, with the arbitral award being final and binding upon the parties.

10.8.3 When any dispute is submitted to arbitration, the parties shall continue to perform their obligations under this Agreement.

10.9 **Entire Agreement.** This Agreement and its Exhibits shall constitute the entire agreement between the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements, including without limitation, the Original Agreement.

10.10 **Amendments.** Without the prior written consent of Party B, Party A shall not amend this Agreement. If required by the applicable laws, the parties shall obtain all the necessary approvals, authorizations, licenses, registrations and filing procedures from the relevant governmental authorities to give effect to the amendment.

10.11 **Language and Copies.**

This Agreement is prepared in both English and Chinese, and both language versions have the same legal effect. This Agreement shall be executed in 2 originals, with 1 original copy for each party.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives on the date first indicated above.

Party A: Beijing Qu Na Information Technology Co., Ltd.
（北京趣拿信息技术有限公司）

/s/ Cao Hui
Name: Cao Hui
Title: Legal Representative
Company Seal:

Party B: Beijing Qunar Software Technology Co., Ltd.
(北京趣拿软件科技有限公司)

/s/ Wei Fang
Name: Wei Fang
Title: Legal Representative
Company seal:

Signature page to Restated Exclusive Technical Consulting and Services Agreement

Exhibit I

Scope of Services

1. **Technical Services**. Party B will provide technical services and training to Party A, taking advantage of Party B's advanced network, website and multimedia technologies to improve Party A's system integration. Such technical services shall include:

   (a) administering, managing and maintaining Party A's information application system and website system infrastructure;

   (b) providing system optimization plans and implementing optimization features;

   (c) assuring the security and reliability of the website application systems;

   (d) procuring, installing and supporting the relevant products produced by Party B, and providing training in the use of those products;

   (e) managing and maintaining all network and providing technologies to assure the reliability and efficiency thereof;

   (f) providing information technology services and assuring the reliable operation of the information infrastructure.

2. **Marketing and Management Consulting.** For the purposes of expanding Party A's market share, popularizing its products and creating a efficient internal operations, Party B will provide consulting services regarding marketing and management, which shall include:

   (a) providing strategic co-operation proposals and recommending relevant partners to Party A, and assisting Party A to establish and develop cooperative relationships with such partners with respect to information networks;

   (b) providing Party A with market development strategies, including but not limited to the design and improvement of Party A's products, services and business model as well as strategic on its market position and brand-building; and

   (c) training management personnel and providing management consultation services, including but not limited to regular business training for Party A's management personnel and formulating realistic and effective solutions to existing problems in Party A's business operations.

Exhibit II

Calculation and Payment of the Service Fee

DURING THE TERM OF THIS AGREEMENT, THE SERVICE FEE PAYABLE BY PARTY A TO PARTY B FOR SERVICES RENDERED ACCORDING TO EXHIBIT I SHALL BE A FEE IN RMB DETERMINED BY THE FOLLOWING FORMULA:

SERVICE FEE PAYABLE = PARTY A'S REVENUE – TURNOVER TAXES – PARTY A'S TOTAL COSTS – PROFIT TO BE RETAINED BY PARTY A;

Where:

- Party A's Revenue is revenue received by Party A from third parties in the course of its ordinary business;
- Turnover Taxes include, but are not limited to, business tax, value-added tax, urban maintenance and construction tax and education surcharges;b
- Party A's Total Costs include all costs and expenses, such as costs of goods sold and operating costs incurred by Party A for carrying out the business; and
- Profit to be retained by Party A shall be determined by a reputable certified public accountant designated by Party B.

During the term of this Agreement, Party B shall have the right to adjust the above Fees at its sole discretion without the consent of Party A.

Exhibit 4.19

Loan Agreement

---

among

Beijing Qunar Software Technology Co., Ltd.

CAO Hui

And

WANG Hui

2016

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THIS **LOAN AGREEMENT** (**Agreement**) is entered into on March 23, 2016 in Beijing, People's Republic of China (**PRC**)

by and among

(1) **Beijing Qunar Software Technology Co., Ltd.（北京趣拿软件科技有限公司）**, a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1701-1707, 1710-1720,17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China (**Party A**);

and

(2) **CAO Hui**, a PRC citizen, ID card number 310110197908230424 of Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China. (**Party B**).

and

(3) **WANG Hui**, a PRC citizen, ID card number 310110197312240832 of Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China. (**Party C**)

Recitals

A. Beijing Qu Na Information Technology Co., Ltd. (北京趣拿信息技术有限公司, **Company**) is a domestic company of limited liability incorporated in Beijing, PRC. Party B and Party C hold 60% and 40% of the equity interest of the Company, respectively (**Equity Interests**);

B. Party A, Party B, Party C, Zhuang Chenchao, Zhang Dongchen and other relevant parties have entered into a undertaking agreement on December 12, 2015, pursuant to which Zhuang Chenchao and Zhang Dongchen agree to transfer their equity interests of the Company to Party B and Party C respectively and Party B and Party C agree to undertake the liability and obligation of Zhuang Chenchao and Zhang Dongchen to repay a loan in the amount of RMB 11,000,000 to Party A(each a **Loan**, collectively **Loans**);

C. Party A, Party B and Party C agree to sign this Agreement to reflect the intention of the Parties and specify the rights and liability of Parties.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions**. Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Party	means a third party as designated by Party A;
Event of Default	means an event as described in Article 2.3;
Equity Option Agreement	means the Restated Equity Option Agreement by and among Party A, Party B, Party C, the Company, and Qunar Cayman Islands Limited dated the even date of this Agreement;
Equity Pledge Agreement	means the Equity Interest Pledge Agreement by and among Party A, Party B, and Party C dated the even date of this Agreement;
Power of Attorney	means each of the Power of Attorney respectively signed and issued by Party B and Party C dated the even date of this Agreement conferring all his rights as a shareholder of the Company to Party A or the Designated Party; and
Repayment Notice	means a written notice from Party A to Party B and/or Party C for purposes of the repayment of the Loan(s).

1.2 **Interpretations**. All headings used herein are for reference purposes only and do not affect the meaning or interpretation of any provision. Any reference to an Article is to an article of this Agreement. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. LOANS

2.1 **Amount**. Party A has provided to Party B and Party C, and Party B and Party C have received from Party A, the Loans, respectively, in which Party B has received RMB 6,600,000 and Party C has received RMB 4,400,000. The Loans shall be interest free, unless otherwise provided in this Agreement.

2.2 **Term.** The term of the Loans shall continue indefinitely until such time as Party B and/or Party C receives a Repayment Notice and fully repays the Loan(s) in accordance with the Agreement, or an Event of Default occurs unless Party A has sent a notice indicating otherwise within 15 calendar days after it is aware of such event.

2.3 **Event of Default**. For purposes of this Agreement, an Event of Default is deemed to have occurred if any of the following were to apply to Party B and/or Party C:

2.3.1 a proceeding is commenced against him under any applicable bankruptcy, insolvency, reorganization, court mediation, or other similar laws;

2.3.2 he makes or attempts to make any fraudulent use or any unauthorized transfer of the Loan(s) or the Equity Interests;

2.3.3 he dies or his capacity to perform civil acts is lost or limited;

2.3.4 he is charged with a criminal offense;

2.3.5 any third party institutes a court action against him claiming over RMB 5,000;

2.3.6 Party B and/or Party C breaches any of its covenants or other obligations under this Agreement, and such breach has not been remedied within 15 calendar days after receiving Party A's written notice requiring remedy;

2.3.7 the representations and warranties made by Party B and/or Party C prove to be false or misleading in any material respect;

2.3.8 any indebtedness, guarantee or other obligation of Party B and/or Party C, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the scheduled date; or (ii) has become due and is not repaid or performed as scheduled and thereby causes Party A to regard Party B and Party C's capacity to perform the obligations specified herein as having been adversely affected;

2.3.9 Party B and/or Party C are incapable of repaying his debts as they become due;

2.3.10 the Agreement is illegal as a result of any applicable laws or Party B and/or Party C is restricted from continuing to perform its obligations as specified herein;

2.3.11 any approval, permits, licenses, authorization, registration or filing procedure from any applicable governmental entity required for the Company to provide value added telecommunications services in respect of its information services business via the Internet in the PRC are withdrawn, suspended, invalidated or materially amended;

2.3.12 any approval, permits, licenses or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid are withdrawn, suspended, invalidated or materially amended;

2.3.13 any property owned by Party B and/or Party C is altered or damaged and thereby causes Party A to deem that the capability of Party B and/or Party C to perform the obligations stated herein have been adversely affected; or

2.3.14 Party B and/or Party C defaults under either of the Equity Pledge Agreement, the Equity Option Agreement or the Power of Attorney.

2.4 **Repayment Date.** Unless otherwise agreed by Party A in writing, the Loan(s) borrowed by Party B and/or Party C, any portion of the Loan(s) and any other payment in arrears, if applicable, under this Agreement shall become due and payable five Business Days after Party A gives written notice to Party B and/or Party C demanding repayment in accordance with Article 6.1 (**Repayment Date**).

Party A shall have its sole discretion to demand repayment of the Loans or any portion of the Loans and send a written notice accordingly.

Without Party A's express prior written consent, the Loans shall not be repaid and shall continue indefinitely until the Repayment Date.

2.5 **Form of Repayment.** Unless agreed by the parties in writing, the Loans may only be repaid in the form specified in Article 6.

2.6 **Purpose of Loans.** Party B and Party C have accepted the Loans provided by Party A and hereby agree and covenant that the Loans shall be used only to acquire to the equity interests of the Company or repay their debts incurred in connection with their contribution of the registered capital of the Company. Without Party A's prior written consent, Party B and Party C shall not use the Loans for any other purpose, or sell, assign, transfer, pledge or otherwise dispose of any legal rights or benefits in connection with, or create any security interest over, the Equity Interest to any third party. Furthermore, Party B and Party C agree only to borrow money from Party A for future registered capital increase of the Company and not to contribute registered capital by themselves or borrow money from other third parties.

3. CONDITIONS PRECEDENT

Drawdown of the Loans by Party B and Party C shall, unless specifically waived by Party A in writing, be conditional upon the fulfillment of all of the following conditions precedent:

3.1 **Representations and Warranties**. All the representations and warranties provided by Party B and Party C in Article 4.2 are true, complete and correct, and shall remain true, complete and correct on the date of such drawdown, as if they are provided on such date.

3.2 **No Breach**. Party B and Party C shall not have breached any of his undertakings provided in Article 5, and no event which may affect the performance of Party B's obligations hereunder shall have occurred or be likely to occur.

4. REPRESENTATIONS AND WARRANTIES

4.1 **Party A's Representations and Warranties**. Party A represents and warrants as follows:

4.1.1 it is a company incorporated and validly existing under the laws of PRC;

4.1.2 it has the power to enter into and perform this Agreement, and its execution and performance of this Agreement is in compliance with its business scope and the provisions of its articles of association or other constituent documents;

4.1.3 the execution and performance of this Agreement by it will not result in a breach of any laws, regulations, authorizations, or agreement to which it is subject; and

4.1.4 this Agreement shall constitute its legal, valid, and binding obligations, and is to be enforceable against it.

4.2 **Party B and Party C's Representations and Warranties**. Party B and Party C severally represent and warrant as follows:

4.2.1 he has and shall maintain the full power and authority to enter into this Agreement and to perform his obligations hereunder;

4.2.2 the execution and performance of this Agreement by him will not result in a breach of any laws, regulations, authorizations, or agreement to which he is subject;

4.2.3 this Agreement shall constitute his legal, valid, and binding obligations, and is to be enforceable against him;

4.2.4 there are no civil, criminal or administrative, claims, actions, suits, investigations or proceedings pending or threatened against him which, based on his knowledge, would materially and adversely affect his execution or performance of this Agreement;

4.2.5 there is no provision of any agreement, enforceable judgment or order of any court binding on him or affecting his property, which would in any way prevent or materially and adversely affect his execution or performance of this Agreement;

4.2.6 the execution and performance of this Agreement and the realization of Party A's rights hereunder will not violate any mortgage right, contract, judgment, decree or law that is binding upon him or his property;

4.2.7 with the exception of the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney, he has not: (a) created any pledge, charge or any other security over any of the Equity Interests; (b) offered to transfer any of the Equity Interests to any third party; (c) issued an undertaking to any third party regarding any offer to purchase any of the Equity Interests; or (d) entered into any agreement to transfer any of the Equity Interests to any third party; and

4.2.8 no dispute, action, arbitration, administrative procedure or other legal proceeding (potential or actual) regarding himself and/or any of the Equity Interests in existence or pending.

5. UNDERTAKINGS

5.1 **Party B and Party C's Undertakings relating to the Company**. Party B and Party C severally undertake to vote his total interest in the Company and to take all other necessary actions to ensure that the Company:

5.1.1 will obtain or complete all the necessary governmental approvals, authorizations, licenses, registrations and filing procedures to own its assets and to engage in the value added telecommunications business in respect of its information services business via the Internet in the PRC and other businesses specified in the operational scope of its business license;

5.1.2 will not supplement, change, or modify in any way its articles of association or other constituent documents, increase or reduce its registered capital, or alter its shareholding structure without the prior written consent of Party A;

5.1.3 will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any asset, business or legal or beneficial interest, or permit the creation of any other security interest over the same without the prior written consent of Party A;

5.1.4 will not incur, inherit, warrant or permit the existence of any loans without the prior written consent of Party A;

5.1.5 will not enter into any contracts or extend any loan or credit to any party or provide any guarantee or assume any obligation of any party without the prior written consent of Party A;

5.1.6 will provide all information relating to its operations and financial affairs to Party A upon the request of Party A;

5.1.7 will not merge, consolidate with any third party, or acquire or invest in any third party, without the prior written consent of Party A;

5.1.8 will notify Party A immediately should any legal action, arbitration or administrative procedure relating to its assets, operations or income arises or is likely to arise;

5.1.9 will execute all necessary or appropriate agreements, take all necessary or appropriate actions and make all necessary or appropriate defenses for the purpose of maintaining all rights and proprietary interests in respect of its assets;

5.1.10 will not pay dividends or distributions of any kind to its shareholders without the prior written consent of Party A;

5.1.11 will strictly observe all of the provisions under this Agreement, the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney and shall not cause any act or omission to take place which may impair the validity and enforceability of those documents; and

5.1.12 will promptly notify Party A in writing of the occurrence of any event which may materially affect its assets, obligations, rights or operations.

5.2 **Undertakings of Party B and Party C**. Party B and Party C severally further undertakes as follows:

5.2.1 he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any of the Equity Interests, or permit the creation of any other security interest in the Company without the prior written consent of Party A;

5.2.2 he will ensure that the shareholders' meeting of the Company shall not approve any sale, transfer, pledge or other disposal of the Equity Interests, or permit the creation of any other security interest over the same without the prior written consent of Party A;

5.2.3 he will ensure that the shareholders' meeting of the Company shall not approve the increase or reduce of the registered capital, consolidation, merger or division of the Company without the prior written consent of Party A;

5.2.4 he will ensure that the shareholders' meeting of the Company shall decide on any matter only with the prior written instruction of Party A;

5.2.5 he will notify Party A immediately if and when any legal action, arbitration, or administrative procedure relating to the Equity Interests arises or is likely to arise;

5.2.6 he will enter into all necessary or appropriate agreements, take all necessary or appropriate actions, file all necessary or appropriate charges and conduct all necessary or appropriate defenses for the purpose of maintaining ownership of the Equity Interests at the instruction of Party A;

5.2.7 he will not cause any actions and/or omissions which may materially and adversely affect the assets, operations or liability of the Company without the prior written consent of Party A;

5.2.8 he will, upon the request of Party A, appoint any person nominated by Party A as a director of , or to hold any other position in, the Company and take all necessary or appropriate actions to complete all the necessary governmental registrations and filing procedures required accordingly by the applicable laws;

5.2.9 in the event that the Party A or the Designated Party purchases the Equity Interests pursuant to the Equity Option Agreement, he shall apply the entire proceeds therefrom to repay the Loans to Party A;

5.2.10 he will promptly notify Party A in writing of the occurrence of any event which may materially or adversely affect his assets, obligations, rights or operations;

5.2.11 he shall issue the Power of Attorney simultaneously when entering into this Agreement;

5.2.12 the Equity Option Agreement shall be validly executed, pursuant to which Party B and Party C shall grant Party A or the Designated Party with an exclusive option to purchase the Equity Interests, to the extent permitted under PRC laws;

5.2.13 the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney shall be in full effect and free of default, and all relevant filing or registrations procedures, approvals, and governmental proceedings shall have been duly obtained or completed;

5.2.14 he will strictly observe all the provisions and perform all of his obligations under this Agreement, the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney, causing no actions nor failing to take any actions that may impair the validity or enforceability of this Agreement, the Equity Pledge Agreement, the Equity Option Agreement or the Power of Attorney;

5.2.15 he shall maintain as strictly confidential the existence and provisions of this Agreement, as well as any correspondence, resolutions, ancillary agreements and any other documentation associated herewith; and

5.2.16 he will not be entitled to any dividend or profit distribution of the Company and will not request or receive any of the same without the prior written consent of Party A. If such dividends or other distributions are distributed to him from the Company, he will immediately and unconditionally pay or transfer to Party A any such dividends or other distributions in whatsoever form obtained from the Company as a shareholder of the Company at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable as a result of his receipt of such dividends or other distributions. In the event that the profit, bonus, distribution or dividend he receives from the Company exceeds his repayment obligation under this Agreement, he shall immediately transfer such profit, bonus, distribution or dividend to Party A or to any party designated by Party A. If such transfer is prohibited by PRC laws, he shall remit the amount to Party A or to any party designated by Party A in a manner permitted under the applicable laws.

6. ENFORCEMENT

6.1 **Repayment of Loans.**

6.1.1 Upon the occurrence of either an Event of Default or a decision by Party A, in its sole discretion, to demand repayment of the entire Loans or any portion of the Loans, Party A may at its sole discretion issue a notice (**Repayment Notice**) to Party B and/or Party C requiring repayment of the entire Loans or any portion of the Loans and any other payment in arrears under this Agreement.

6.1.2 Party B and Party C shall repay the Loans by transferring the Equity Interest to Party A or the Designated Party, as directed by Party A, by signing and delivering an agreement for the transfer of the Equity Interest satisfactory to the Party A from the form to the substance.

6.1.3 Party B and Party C agree that if the total consideration to be received (if any) by Party B and Party C is higher than the registered capital of the Company corresponding to the transferred Equity Interests, the difference shall be deemed as interests and costs of Loan as much as permitted by PRC law and then the remaining consideration (if any) from the transfer of any part of the Equity Interests shall be remitted in full to Party A as a nonreciprocal transfer. If such transfer is prohibited by PRC law, Party B and Party C will remit the remaining consideration to Party A or its designees in a manner permitted under PRC law.

6.1.4 If Party B and/or Party C fail to comply with its repayment obligations under this Agreement, late payment interest shall be assessed at the rate of 0.3% per day upon the outstanding amount of the Loan(s) and shall be payable from the Repayment Date until the date on which the total amount of the overdue loan, overdue interest and other monies payable to Party A are fully settled.

6.2 **Notification.** Party B and Party C shall immediately notify Party A in writing of the occurrence of any event set forth in Article 2.3 or any circumstance which may lead to the occurrence of any such event as soon as Party B and Party C know or is aware of such event or circumstance.

7. CONFIDENTIALITY

7.1 **Confidentiality Obligations**. The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.

7.2 **Obligations upon Termination**. Upon termination of this Agreement, each party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, each party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.

7.3 **No Time Limit**. There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

8. DISPUTE RESOLUTION

8.1 **Governing Law**. This Agreement shall be governed by the laws of the PRC.

8.2 **Consultation and Mediation**. If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.

8.3 **Arbitration**. Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

9. INDEMNITY

Party A agrees to indemnify and hold harmless Party B and Party C for any damages, fines or penalties solely incurred in his capacity as a shareholder or any other positions (including, without limitation, those of legal representative and director) directly as a result of the establishment of the Company and the operation of the Company's business in contravention of PRC law; provided, however, that in no instance will Party A provide such indemnification if Party B and Party C have engaged in fraud or willful misconduct or has breached or is in breach of this Agreement.

10. MISCELLANEOUS

10.1 **Notices**. All notices or other communications sent by each party shall be written in English or Chinese, and delivered in person, by mail or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Qunar Software Technology Co., Ltd.
Address	:	Room 1701-1707, 1710-1720, 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing,China

Tel	:	010-5760 3000
Party B	:	CAO Hui
Address	:	Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China
Tel	:	021-34064880
Party C	:	WANG Hui
Address	:	Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China
Tel	:	021-34064880

10.2 **Entire Agreement**. This Agreement, the Restated Exclusive Technical Consulting and Services Agreement, the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney entered by the Parties herein and/or other relevant parties) shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

10.3 **Amendment**. Without the prior written consent of Party A, neither Party B or Party C shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

10.4 **No Waiver**. Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of each party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.

10.5 **Severability**. The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.

10.6 **Successors**. This Agreement shall be valid and binding on the parties, their successors and permitted assigns.

10.7 **Assignment**. Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B and Party C shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B and Party C shall not assign any of its rights or obligations hereunder without the prior written consent of the Party A.

10.8 **Effectiveness**: This Agreement shall be effective upon its signing by all the parties or their respective authorized representative and shall be deemed terminated as of the date when the Loans has been repaid in full.

10.9 **Language and Counterparts.** This Agreement is prepared in 3 sets of originals in English. Each party shall hold 1 set.

[The space below has been intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed in its name and on its behalf by the officer or representative duly authorized, on the day and year first above written.

Party A:

Beijing Qunar Software Technology Co., Ltd.
(Company Seal)

By: /s/ Wei Fang
Name: Wei Fang
Title: Legal Representative

Party B:

/s/ Cao Hui
Cao Hui

Party C:

/s/ Wang Hui
Wang Hui

Exhibit 4.20

Equity Option Agreement

Among

Qunar Cayman Islands Limited

Beijing Qunar Software Technology Co., Ltd.

CAO Hui

WANG Hui

And

Beijing Qu Na Information Technology Co., Ltd.

2016

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THIS **EQUITY OPTION AGREEMENT** (**Agreement**) is entered into on March 23, 2016 in Beijing, People's Republic of China (**PRC**).

by and among

(1) **Qunar Cayman Islands Limited,** a Cayman Islands exempted company ("**Qunar Cayman**");

(2) **Beijing Qunar Software Technology Co., Ltd.（北京趣拿软件科技有限公司）**, a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1701-1707, 1710-1720,17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China. (**Party A**);

And

(3) **Cao Hui**, a PRC citizen, ID card number 310110197908230424 of Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China. (**Party B**);

And

(4) **Wang Hui**, a PRC citizen, ID card number 310110197312240832 of Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China. (**Party C**);

And

(5) **Beijing Qu Na Information Technology Co., Ltd. (北京趣拿信息技术有限公司)**, a limited liability company duly incorporated and validly existing in the PRC, with its registered address at Room 1709 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing,China (**Party D**)

(Party B and Party C are hereinafter collectively referred to as the "**Shareholders**." Qunar Cayman, Party A, Party B, Party C and Party D are each hereinafter individually referred to as a "**Party**", and collectively the "**Parties**".)

Recitals

A. Party B holds 60% of the equity interest in Party D, and Party C holds 40% of the equity interest in Party D.

B. Party D, an operating vehicle of the website www.qunar.com, is a PRC domestic company duly incorporated and validly existing in the PRC and engaged in Internet information services.

C. A Loan Agreement dated the even date of this Agreement was entered into among Party A, Party B and Party C (**Loan Agreement**), pursuant to which Party B took loans in the amount of 6,600,000 and Party C took loans in the amount of 4,400,000 (collectively "**Loan**") from, and therefore owe a debt to, Party A to subscribe to the aforementioned 60% and 40% equity interest in Party D respectively.

D. A Restated Exclusive Technical Consulting and Services Agreement dated the even date of this Agreement was entered into between Party A and Party D (**Services Agreement**), pursuant to which Party D will pay a service fee to Party A in consideration for services provided by Party A.

G. Qunar Cayman, Party A, Party B, Party C and Party D agreed to sign this Agreement pursuant to which Party B and Party C have severally agreed to grant to Qunar Cayman and Party A (collectively "**Qunar**") an exclusive option to acquire all the equity interests of Party D registered in Party B and Party C's name, subject to the terms and conditions therein.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions**. Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Person(s)	means 1 or more person(s) designated by Party A;
Equity Interest	means 100% of the equity interest held by Party B and Party C in Party D;
Equity Pledge Agreement	means the Equity Interest Pledge Agreement entered into by and among Party A, Party B and Party C, dated the even date of this Agreement , under which Party B and Party C severally pledge to Party A their Equity Interest in consideration for Party D's performance of its obligations under this Agreement, the Loan Agreement and the Services Agreement;
Power of Attorney	means each of the Power of Attorney respectively signed and issued by Party B and Party C dated the even date of this Agreement conferring all his rights as a shareholder of the Company to Party A or the Designated Party; and

Notice of Purchase	means the written notice sent by Party A to exercise the Purchase Right (as defined below), as set forth in Article 2.2;
Person	means a person, corporation, joint venture, partnership, enterprise, trust, or non-corporate entity;
Purchase Right	means an exclusive and irrevocable right to purchase, at any time, all or part of the Equity Interest held by Party B and/or Party C respectively at a price equivalent to the lowest price permitted by then-current PRC laws; and
Security Interest	means any third party's security, right or interest, any right to purchase Party B and Party C's equity interest in Party D, or any right of acquisition, right of set-off, or other security arrangement, including any security interest subject to this Agreement, the Restated Equity Pledge Agreement or the Loan Agreement.

1.2 **Interpretations**. All headings used herein are for reference purposes only and do not affect the meaning or interpretation of any provision. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. PURCHASE AND SALE OF EQUITY INTEREST

2.1 **Authorization**. Party B hereby irrevocably grants Qunar or its Designated Person(s) the Purchase Right for his Equity Interest. Party C hereby irrevocably grants Qunar or its Designated Person(s) the Purchase Right for his Equity Interest. Qunar hereby agrees to accept the Purchase Right granted by the Shareholders. Party D hereby agrees that the Shareholders grant the Purchase Right to Qunar in accordance with the Agreement.

2.2 **Procedures**. Upon Qunar's decision to exercise such Purchase Right, it shall send a written Notice of Purchase to Party B and/or Party C setting forth details for the purchase.

2.3 **Exercise of Purchase Right**. Every time Qunar exercises the Purchase Right:

2.3.1 Party B and Party C shall convene a shareholder meeting of Party D, and pass a resolution to transfer the Equity Interest from Party B and Party C to Qunar and/or the Designated Person;

2.3.2 Party B and Party C shall, upon the terms and conditions of this Agreement and the Notice of Purchase, enter into all documents, including but not limited to the share purchase agreement relating to the Equity Interest, requested by Qunar;

2.3.3 Party B, Party C and Party D shall execute all documents, obtain or complete all the necessary governmental approvals, authorizations, licenses, registrations and filing procedures , and perform all necessary and appropriate actions to transfer the valid ownership of the Equity Interest to Qunar and/or the Designated Person ; and

2.3.4 Should Party B or Party C breach any clause in this Agreement, Qunar Cayman can unilaterally exercise its right to obtain the equity interests in Party D held by such breaching Shareholder as such equity interests have already been pledged to Party A.

2.3.5 For the avoidance of doubt, Qunar Cayman, in its sole discretion, will decide whether the Options and other rights granted under this Agreement will be exercised by Qunar Cayman and/or by Party A.

2.4 **Method of Payment.**

2.4.1 Upon exercise of the Purchase Right by Qunar and/or its Designated Person(s), Qunar shall make payment by cancelling all or a portion of the Loan, in the same proportion that Qunar and/or its Designated Person(s) has acquired the Security Interest. In case PRC laws require Qunar and/or its Designated Person(s) to pay to Party B and Party C, Party B and Party C shall immediately and unconditionally pay or transfer to Qunar any proceeds in whatsoever form obtained from the Qunar and/or its Designated Person(s) at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable to such a shareholder as a result of his receipt of such proceeds. The method of payment of the total consideration shall be determined at the discretion of Qunar Cayman.

2.4.2 Party B, Party C or Party D agree that the total consideration received from the transfer of any part of the Equity Interests or sale of assets of Party D (if applicable) shall first be applied to the outstanding balance under the Loan Agreement and the Restated Exclusive Technical Consulting and Services Agreement. After full repayment of the outstanding balance, any remaining consideration (if any) will be remitted in full to Qunar s a nonreciprocal transfer. If such transfer is prohibited by PRC law, Party B and Party C will remit the remaining consideration to Qunar or its designees in a manner permitted under PRC law.

3. UNDERTAKINGS

3.1 **Undertakings of Party D.** Party D hereby undertakes that:

3.1.1 it will maintain its corporate existence, operate its business, and transact affairs prudently and efficiently in accordance with good financial and commercial standards and practices;

3.1.2 without the prior written consent of Qunar, it will not sell, assign, mortgage, or otherwise dispose of any legal or beneficiary rights to any of its assets, business, or revenues, or permit the creation of any other Security Interest over such rights at any time after the execution date of this Agreement;

3.1.3 without the prior written consent of Qunar, it will not incur, assume, guarantee or allow the existence of any debts, except for those to which Qunar has given its written consent;

3.1.4 it will always operate its business to maintain the value of its assets, and will not do anything which will affect its business situation nor the value of its assets;

3.1.5 without the prior written consent of Qunar, it will not enter into any contract at an amount exceedingly higher than or outside the ordinary business;

3.1.6 without the prior written consent of Qunar, it will not provide any loan to any third party;

3.1.7 at the request of Qunar, it will provide to Qunar all information relating to its operation and financial conditions;

3.1.8 without the prior written consent of Qunar, it will not be consolidated or merged with any third party, acquire or invest in any third party, nor make a division;

3.1.9 it will promptly inform Qunar of any existing or threatened litigation, arbitration, or administrative proceedings relating to its assets, business, or revenues;

3.1.10 in order to maintain the ownership of all its assets, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, and conduct all necessary or appropriate defenses against all claims;

3.1.11 without the prior written consent of Qunar, it will not in any form whatsoever allocate dividends to shareholders; and

3.1.12 if PRC laws requires it to be dissolved or liquidated, it shall sell all of its assets to the extent permitted by PRC laws to Qunar and/or the Designated Person, at the lowest selling price permitted by applicable PRC laws. Any obligation for Qunar to pay Party D as a result of such transaction shall be forgiven by Party D or any proceeds from such transaction shall be paid to Qunar in partial satisfaction of the service fee under the Services Agreement or remitted to Qunar and/or the Designated Person, as applicable under then-current PRC laws.

3.2 **Undertakings of Party B and Party C respectively**. Party B and Party C undertake on their own behalf that:

3.2.1 without the prior written consent of Qunar, he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any legal or beneficiary rights to the Equity Interest, or permit the creation of any other Security Interest over such rights at any time, except for the pledge under the Equity Pledge Agreement;

3.2.2 without the prior written consent of Qunar, he will not vote in favor of, endorse, or sign any shareholders resolution approving the sale, assignment, mortgage, or other disposal of the legal or beneficiary rights of any shareholder or allowing the creation of any other Security Interest over such rights at the shareholders meeting of Party D;

3.2.3 without the prior written consent of Qunar, he will not vote in favor of, endorse, or sign any shareholders resolution approving the consolidation or merger of Party D with any third party, the acquisition of or investment in any third party by Party D or the division of Party D at the shareholders meeting of Party D;

3.2.4 without the prior written consent of Qunar, he will not vote in favor of, endorse, or sign any shareholders resolution approving the increase or decrease of Party D's registered capital at the shareholders meeting of Party D;

3.2.5 he will promptly inform Qunar of any existing or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest;

3.2.6 at the request of Qunar, he will cause the shareholders meeting of Party D to vote in favor of the transfer of the Equity Interest as contemplated hereunder;

3.2.7 in order to maintain his ownership of the Equity Interest, he will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, or conduct all necessary or appropriate defenses against all claims;

3.2.8 at the request of Qunar, he will appoint the person nominated by Qunar as the director of, or to hold any other position in, Party D, and take all necessary or appropriate actions to complete all the necessary governmental registrations and filing procedures required accordingly by the applicable laws;

3.2.9 at the request of Qunar, he will immediately transfer the requested Equity Interest to the Designated Person(s);

3.2.10 he will strictly comply with the provisions of this Agreement and any other contracts entered into jointly or separately by the parties hereto, strictly perform the obligations under such contracts, and will not do anything which will affect the validity and enforceability of such contracts;

3.2.11 he shall not put forward, or vote in favor of, any shareholder resolution to, or otherwise request Party D to, issue any dividends or other distributions with respect to his equity interest in Party D; provided, however, in the event that he receives any profit, bonus, distribution or dividend from Party D, he shall, as permitted under PRC laws, immediately pay or transfer such profit, bonus, distribution or dividend to Qunar or to any party designated by Qunar in order to 1) first, to repay in part the Loan payable under the Loan Agreement; and 2) then, if there is any profit, bonus, distribution or dividend amount remaining, to pay in part the service fee under the Services Agreement on behalf of Party D; and

3.2.12 after mandatory liquidation described in 3.1.12 above, he will remit in full to the Qunar any residual interest he receives in a nonreciprocal transfer or cause it happen. If such transfer is prohibited by PRC laws, he will remit the proceeds to Qunar or its Designated Person(s) in a manner permitted under PRC laws

4. UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

4.1 **Undertakings of Qunar:** To ensure that the cash flow requirements of the Party D's ordinary operations are met and/or to set off any loss accrued during such operations, Qunar is obligated, only to the extent permissible under PRC laws, to provide financing support for Party D, whether or not Party B and/or Party C actually incur any such operational loss. Qunar's financing support for Party B and Party C may take the form of bank entrusted loans or borrowings. Contracts for any such entrusted loans or borrowings shall be executed separately. Qunar will not request repayment if Party B and/or Party C are unable to do so.

4.2 **Representations and Warranties of Party B and Party C.**

Party B and Party C hereby represent and warrant on their own behalf to Qunar that as of the date of this Agreement respectively:

4.2.1 he has the power and right to sign, deliver, and perform his obligations under this Agreement, and that the said documents shall constitute his legal, valid, and binding obligations enforceable in accordance with their terms;

4.2.2 the execution and delivery of this Agreement or any other contracts, and the performance of his obligations thereunder, will not violate PRC laws, breach or result in a default of any contract or instrument to which he is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon; and

4.2.3 he is the lawful owner of the Equity Interest held by himself and has not created any Security Interest over such Equity Interest other than the Equity Pledge Agreement.

4.3 **Representations and Warranties of Party D.** Party D represents and warrants to Qunar that:

4.3.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;

4.3.2 the execution and delivery, of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, conflict with its Articles of Association or other constituent documents, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon;

4.3.3 it is the lawful owner of its assets, and has not created any Security Interest over such assets;

4.3.4 it does not have any outstanding debts other than those incurred in the ordinary course of business and which have been disclosed to Qunar;

4.3.5 it will comply with all PRC laws applicable to the acquisition of the Equity Interest; and

4.3.6 there is no existing, pending or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest, its assets, or itself.

5. FURTHER WARRANTIES

The parties to this Agreement agree to promptly execute documents reasonably requisite to the performance of the provisions and the aim of this Agreement or documents beneficial to it, and to take actions reasonably requisite to the performance of the provisions and the aim of this Agreement or actions beneficial to it.

6. TERM

This Agreement shall take retroactive effect since Party B and Party C are registered as shareholders of Party D and shall remain in full force and effect until the earlier of (1) the date on which all of the Equity Interests have been acquired by Qunar directly and/or through its Designated Person(s); or (2) the unilateral termination by Qunar (at its sole and absolute discretion), by giving 30 days prior written notice to the Party B and/ or Party C of its intention to terminate this Agreement.

7. APPLICABLE LAW AND DISPUTE RESOLUTION

7.1 **Governing Law**. This Agreement shall be governed by and construed in accordance with PRC law.

7.2 **Consultation and Mediation**. If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.

7.3 **Arbitration**. Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

8. CONFIDENTIALITY

8.1 **Confidentiality Obligations**. The parties shall protect and maintain the confidentiality of all Confidential Information. Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation.

8.2 **Obligations upon Termination**. Upon termination of this Agreement, each party shall, at the request of the other parties, return any document, material, database, equipment, or software containing the Confidential Information to the other parties. If, for any reason, such document, material, database, equipment, or software cannot be returned, the parties shall destroy all the Confidential Information and delete the Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.

8.3 **No Time Limit**. There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive after the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

9. MISCELLANEOUS

9.1 **Notices**. All notices or other communications sent by each party shall be written in English or Chinese, and delivered in person, by mail, or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Qunar Cayman and Party A	:	Beijing Qunar Software Technology Co., Ltd.
Address	:	Room 603 No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China
Tel	:	010-5760 3000
Party B	:	CAO Hui
Address	:	Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China
Tel	:	021-34064880
Party C	:	WANG Hui
Address	:	Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China
Tel	:	021-34064880
Party D	:	Beijing Qu Na Information Technology Co., Ltd.
Address	:	Room 1709 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing,China
Tel	:	010-5760 3000

9.2 **Entire Agreement**. This Agreement, the Services Agreement, the Loan Agreement, the Equity Pledge Agreement, and the Power of Attorney from Party B and Party C in favor of Party A (either original or restated) shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto (including without limitation, the Original Agreement)..

9.3 **Amendment**. Without the prior written consent of Qunar, neither of Party B, Party C or Party D shall be entitled to amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

9.4 **No Waiver**. Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of any party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.

9.5 **Severability**. The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.

9.6 **Successors**. This Agreement shall be valid and binding on the parties, their successors and permitted assigns.

9.7 **Assignment**. Qunar may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Qunar as if the transferee or assignee is Qunar hereunder. When Qunar transfers or assigns the rights and obligations under this Agreement, at the request of Qunar, Party B and Party C shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B, Party C and Party D shall assign any of its rights or obligations hereunder without the prior written consent of Qunar.

9.8 **Language and Counterparts**. This Agreement is prepared in 4 sets of originals in the English language. Each party shall hold 1 set.

[The space below is intentionally left blank.]

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

QUNAR CAYMAN ISLANDS LIMITED

By: /s/ Yilu Zhao
Name: Yilu Zhao
Title: Chief Financial Officer

Party A: Beijing Qunar Software Technology Co., Ltd.
(Company Seal)

By: /s/ Wei Fang
Name: Wei Fang
Title: Legal Representative

Party B:

/s/ Cao Hui
Cao Hui

Party C:

/s/ Wang Hui
Wang Hui

Party D: Beijing Qu Na Information Technology Co., Ltd. (Company Seal)

By: /s/ Cao Hui
Name: Cao Hui
Title: Legal Representative

Exhibit 4.21

English Translation

EQUITY INTEREST PLEDGE AGREEMENT

among

Beijing Qunar Software Technology Co., Ltd.

and

WANG Hui

and

CAO Hui

March 2016

This Equity Interest Pledge Agreement (this "**Agreement**") is entered into in Beijing, the People's Republic of China ("**PRC**", excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan, for the purposes of this Agreement) by and among the following parties on March 23, 2016:

Pledgee:

Beijing Qunar Software Technology Co., Ltd.

Registered Address: Room 1701-1707, 1710-1720, 17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China.
Legal Representative: Wei Fang

Pledgors:

Wang Hui, a PRC citizen, ID card number 310110197312240832 of Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China ("**Pledgor I**"); and

Cao Hui, a PRC citizen, ID card number 310110197908230424 of Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China ("**Pledgor II"**).

(Pledgor I and Pledgor II are each hereinafter individually referred to as Pledgor I or II**,** and collectively the "Pledgors"; the parties hereto are each hereinafter individually referred to as a "Party", and collectively the "Parties".)

WHEREAS:

A. Pledgor I and Pledgor II are both PRC citizens who respectively hold 40% and 60% of the equity interest in Beijing Qu Na Information Technology Co., Ltd. ("**Beijing Qu Na**").

B. Beijing Qu Na is a limited liability company registered in Beijing which operates the website www.qunar.com and engages in Internet information services.

C. A Loan Agreement was entered into among Pledgor I, Pledgor II and the Pledgee ("**Loan Agreement"**), pursuant to which Pledgor I took loans in the amount of RMB 4,400,000 and Pledgor II took loans in the amount of RMB 6,600,000 from the Pledgee (collectively "**Loan**").

D. An Equity Option Agreement was entered into among Pledgor I, Pledgor II, the Pledgee and other relevant parties ("**Equity Option Agreement**"), pursuant to which the Pledgee and its affiliates have the option to acquire the equity interest in Beijing Qu Na held by Pledgor I and Pledgor II.

E. The Pledgee, a wholly foreign-owned company registered in Beijing, PRC, has been licensed by the relevant PRC government authority to carry on the business of communication technology research and development, webpage making, technology transfer, technical training, consulting and services, sales of self-developed products, etc. The Pledgee and Beijing Qu Na entered into a Restated Exclusive Technical Consulting and Services Agreement (the "**Services Agreement**"), pursuant to which Beijing Qu Na is required to pay service fees to the Pledgee in consideration of the corresponding services to be provided by the Pledgee (the "**Service Fees**").

F. In order to ensure that (i) Pledgor I and Pledgor II both repay the Loan under the Loan Agreement; (ii) the Pledgee collects Service Fees under the Services Agreement from Beijing Qu Na, (iii) the Pledgors' obligations under the Equity Option Agreement are fulfilled, and (iv) all other debts, monetary liabilities or other payment obligations owed to the Pledgee by Pledgor I, Pledgor II and/or Beijing Qu Na, arising under or in relation to the Services Agreement or the Loan Agreement, including, but not limited to, any obligation to pay damages for a breach of any obligation of Pledgor I, Pledgor II and/or Beijing Qu Na under the Loan Agreement, the Equity Option Agreement or the Services Agreement (as applicable), are paid, Pledgor I and Pledgor II are both willing to pledge all the Equity Interest they respectively hold in Beijing Qu Na (i.e. 40% of the equity interest in Beijing Qu Na held by Pledgor I and 60% of the equity interest in Beijing Qu Na held by Pledgor II, which corresponds to a capital contribution of RMB 4,400,000 and RMB 6,600,000 respectively) to the Pledgee as security for the performance of the above-mentioned obligations by Pledgor I and Pledgor II to Pledgee (collectively, the "**Secured Obligations**"). The Pledgee, Pledgor I and Pledgor II mutually agree to enter into this Agreement.

In order to clarify the Parties' rights and obligations, the Pledgee and the Pledgors through mutual negotiations hereby enter into this Agreement based upon the following terms:

1. Definitions

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

1.1 "**Pledge"** means the full content of Section 2 hereunder.

1.2 "**Equity Interest"** means all the equity interests in Beijing Qu Na respectively held by Pledgor I and Pledgor II (including all present and future rights and benefits based on such equity interests), and any additional equity interests in Beijing Qu Na acquired by such Pledgors subsequent to the date hereof. For the avoidance of any doubt, on the date hereof, Pledgor I and Pledgor II respectively hold 40% and 60% of the equity interest in Beijing Qu Na (i.e. a capital contribution of RMB 4,400,000 and RMB 6,600,000, respectively).

1.3 "**Event of Default"** means any event set forth in Section 6 hereunder.

1.4 "**Notice of Default"** means the notice of default issued by the Pledgee in accordance with this Agreement.

1.5 "**Effective Date**": This Agreement shall be effective upon it being signed by the Parties hereunder and as of the date the Pledgors hereunder being registered in the register of shareholders of Beijing Qu Na (in the form as the appendix). Notwithstanding the foregoing, the Pledge (as defined in Section 2.1) shall only be established in accordance with Section 3 of this Agreement.

2. Pledge

2.1 The Pledgors hereby pledge to the Pledgee all the Equity Interest they hold in Beijing Qu Na, as security for the obligations up to a Maximum Amount (as defined below) (the "**Pledge**"), and grant a first priority security interest in all rights, titles and interests that they have or may at any time hereafter acquire in and to the Equity Interest, together with all equity or other ownership interests representing a dividend on the Equity Interest, a distribution or return of capital upon or in respect of such Equity Interest, any subscription, first refusal, pre-emptive or other purchase rights with respect to or arising from such Equity Interest, any voting rights with respect to such Equity Interest or any other interest in Beijing Qu Na which, by reason of notice or lapse of time or the occurrence of other events, may be converted into a direct equity interest in Beijing Qu Na, and all proceeds of the foregoing (collectively, the "**Pledged Collateral**").

2.1.1 The Parties understand and agree that the monetary valuation arising from, relating to or in connection with the Secured Obligations shall be a variable and floating valuation until the Settlement Date (as defined below). Therefore, based on the reasonable assessment and evaluation by the Pledgors and the Pledgee of the Secured Obligations and the Pledged Collateral, the Pledgors and the Pledgee mutually acknowledge and agree that as a security for all obligations under the Loan Agreement, the Exclusive Technical Consulting and Services Agreement and the Equity Option Agreement, the Pledge shall aggregately secure the Secured Obligations for a maximum amount of RMB 40,599,789.12, which is equivalent to the total of the amount of the loan provided by the Pledgee to Pledgor I (RMB 4,400,000), the amount of the loan provided by the Pledgee to Pledgor II (RMB 6,600,000) and the amount of the Service Fees to be paid to the Pledgee (i.e. 40% of the equity interest in Beijing Qu Na held by Pledgor I shall guarantee RMB 16,239,915.648, and 60% of the equity interest in Beijing Qu Na held by Pledgor II shall guarantee RMB 24,359,873.472, respectively) (the "**Maximum Amount**").

Pledgor I, Pledgor II and the Pledgee may, taking into account the fluctuation in the monetary value of the Secured Obligations and the Pledged Collateral, adjust the Maximum Amount based on mutual agreement by amending and supplementing this Agreement, from time to time, prior to the Settlement Date.

2.1.2 Upon the occurrence of any of the events below (each an "Event of Settlement"), the Secured Obligations shall be fixed at a value of the sum of all Secured Obligations that are due, outstanding and payable to the Pledgee on or immediately prior to the date of such occurrence (the "Fixed Obligations"):

(a) Any or all of the Loan Agreement, the Services Agreement or the Equity Option Agreement expires or is terminated pursuant to the terms thereunder;

(b) the occurrence of an Event of Default as set forth in Section 6 that is not resolved, which results in the Pledgee serving a Notice of Default to the relevant Pledgor(s) pursuant to Section 6.3;

(c) the Pledgee reasonably determines (having made due enquiries) that the Pledgor(s) and/or Beijing Qu Na is insolvent or could potentially be made insolvent; or

(d) any other event that requires the fixation of the Secured Obligations in accordance with relevant laws of the PRC.

2.2 For the avoidance of doubt, the day of the occurrence of an Event of Settlement shall be the settlement date (the "**Settlement Date**"). On or after the Settlement Date, the Pledgee shall be entitled, at its election, to enforce the Pledge in accordance with Section 7.

2.3 The Pledgee is entitled to collect dividends or all other distributions, if any, arising from the Equity Interest during the Term of the Pledge (as defined below). During the effective term of the Loan Agreement, the Pledgors shall not claim any dividends or distributions with respect to the Equity Interest they hold in Beijing Qu Na, and when they receive any profits, bonuses, distributions or dividends from Beijing Qu Na, they shall, as permitted by the PRC law, pay or transfer the same to the Pledgee or any person designated by the Pledgee.

3. Effectiveness of Pledge, Scope and Term

3.1 The Pledgors shall, promptly after the execution of this Agreement, register this Agreement and the Pledge hereunder with the State Administration for Industry and Commerce of the PRC or its competent local counterpart (the "**AIC**"). The Pledgor shall deliver to the Pledgee a copy of the registration or filing certificate from the AIC within 7 days after the date of submission of the application for registration of this Agreement and Pledge with the AIC.

3.2 The Pledge shall be established upon its registration with the AIC in accordance with Section 3.1 above. The term of the Pledge shall commence on the date when the Pledge is registered with the AIC and shall expire on the date on which the rights and obligations of the Parties are satisfied in full (the "**Term of the Pledge**").

4. Representations and Warranties of the Pledgor

Each of the Pledgors hereby makes the following representations and warranties to the Pledgee and confirms that the Pledgee executes this Agreement in reliance on such representations and warranties:

4.1 Each of the Pledgors is the legal owner of the Equity Interest that has been registered in his/her name, and is entitled to create a pledge on such Equity Interest.

4.2 Neither the Pledged Collateral nor the Pledge will be interfered with by any other pledgee at any time once the Pledgee exercises its rights under the Pledge in accordance with this Agreement.

4.3 The Pledgee shall be entitled to dispose or assign its rights in the Pledge in accordance with this Agreement and the relevant laws.

4.4 All necessary authorizations have been obtained for the execution and performance of this Agreement by each of the Pledgors and the execution and performance of this Agreement by each of the Pledgors does not violate any applicable laws or regulations or any agreements to which such Pledgor is a party. The representatives who execute this Agreement on behalf of each of the Pledgors have been legally authorized to do so.

4.5 Each of the Pledgors warrants that there is no on-going civil, administrative or criminal litigation or administrative punishment or arbitration related to the Equity Interest and is not aware of any such action pending or likely to be pending in the future as of the date of this Agreement.

4.6 There are no outstanding taxes or fees or undecided legal procedures related to the Equity Interest as of the date of this Agreement.

4.7 Each stipulation hereunder is the expression of each Party's true intention and shall be binding upon each of the Parties.

5. Covenants of the Pledgors

5.1 Each of the Pledgors covenants to the Pledgee that he/she shall:

5.1.1 neither transfer or assign the Equity Interest, nor create or permit to be created any pledge, lien, charge, mortgage, encumbrance, option, security or other interest in or over the Equity Interest that has been registered in his/her name, other than the Pledge created hereunder and the option granted under the Equity Option Agreement, without the prior written consent from the Pledgee;

5.1.2 comply with and implement all laws and regulations with respect to the pledge, present to the Pledgee the notices, orders or suggestions with respect to the Pledge issued or made by the competent authority within 5 days upon receiving such notices, orders or suggestions and take actions in accordance with the reasonable instructions of the Pledgee; and

5.1.3 timely notify the Pledgee of any events or any received notices (i) which may affect the Equity Interest or any part of the Pledgee's rights, (ii) which may change the Pledgors' covenants or obligations under this Agreement or (iii) which may affect the Pledgors' performance of their obligations under this Agreement, and take actions in accordance with the reasonable instructions of the Pledgee.

5.1.4 use any proceeds from transferring any Equity Interest in Beijing Qu Na or selling Beijing Qu Na's assets to first repay the amount payable to Pledgee under the Loan Agreement and the Services Agreement, and after such repayment is fully made, transfer any remaining proceeds to the Pledgee. In the event that such transfer is prohibited by PRC laws, the Pledgers shall remit such remaining proceeds to Pledgee or to any party designated by Pledgee in a manner permitted under PRC laws.

5.2 The Pledgors covenant that the Pledgee's right of exercising the rights under this Agreement shall not be suspended or hampered by the Pledgors or successors of the Pledgors or any person authorized by the Pledgors.

5.3 The Pledgors jointly and severally covenant that in order to protect or perfect the security over the Secured Obligations, the Pledgors shall (i) execute in good faith and cause other parties who have interests in the Pledge to execute all the forms, instruments, agreements (including those required for the registration and de-registration of the Pledge with the AIC), and/or (ii) take actions and cause other parties who have interests in the Pledge to take actions as required by the Pledgee, and (iii) allow the Pledgee to exercise the rights and authorization vested in the Pledgee under this Agreement.

5.4 The Pledgors agree to promptly make or cause to be made any permits, filings or registrations, give or cause to be given any notices and take or cause to be taken any other actions as may be necessary under the laws of the PRC, to perfect the Pledge of the Pledged Collateral, including the AIC registration set forth in Section 3.1.

5.5 Each Pledgor covenants to the Pledgee that he/she will comply with and perform all the guarantees, covenants, agreements, representations and conditions for the benefits of the Pledgee. The Pledgors shall compensate for all the losses suffered by the Pledgee for their failure to perform or fully perform such guarantees, covenants, agreements, representations or conditions.

6. Events of Default

6.1 Each of the following shall constitute an Event of Default:

6.1.1 Beijing Qu Na or either Pledgor fails to make full and timely payment of any amounts due under the Secured Obligations as required under the Services Agreement, Loan Agreement or Equity Option Agreement, or an event of default (as defined and stipulated in those agreements) has occurred and is continuing to occur;

6.1.2 either Pledgor makes or has made any misleading or untrue representations or warranties under Section 4, or is in violation or breach of any of the representations and warranties under Section 4 hereof;

6.1.3 the Pledgors breach any of the covenants under Section 5 hereof;

6.1.4 the Pledgors breach any other covenants, undertakings or obligations of the Pledgors as set forth herein;

6.1.5 either Pledgor is unable to perform its obligations under this Agreement due to the separation or merger of Beijing Qu Na with other third parties or for any other reason;

6.1.6 either Pledgor relinquishes all or any part of the Pledged Collateral or transfers or assigns all or any part of the Pledged Collateral without the prior written consent of the Pledgee (except the transfers or assigns permitted under the Equity Option Agreement);

6.1.7 any indebtedness, guarantee or other obligation of the Pledgors, whether pursuant to an agreement or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the due date; or (ii) has become due and is not repaid or performed when due which, in the Pledgee's reasonable view, has materially adversely affected the Pledgors' ability to perform their obligations under this Agreement;

6.1.8 this Agreement is deemed illegal or the Pledgors are restricted from continuing to perform their obligations under this Agreement in accordance with any applicable laws;

6.1.9 any approval, permit, license, authorization, registration or filing procedure from any applicable governmental entity required for Beijing Qu Na to provide Internet information services and/or value-added telecommunications services in the PRC is withdrawn, suspended, invalidated or materially amended;

6.1.10 any approval, permit, license or authorization, registration or filing procedure from any applicable government entity required to perform this Agreement or make this Agreement enforceable, legal and valid is withdrawn, suspended, invalidated or materially amended; or

6.1.11 any property owned by the Pledgors is altered or damaged which, in the Pledgee's reasonable view, has materially adversely affected the Pledgors' ability to perform their obligations under this Agreement.

6.2 If either Pledgor is aware of, or finds, any event set forth in Section 6.1 or evidence that such events have occurred or are occurring, such Pledgor shall immediately give a written notice to the Pledgee,

6.3 Unless an Event of Default set forth in Section 6.1 has been rectified to the Pledgee's satisfaction, the Pledgee may, at any time the Event of Default occurring or thereafter, give a written Notice of Default to the Pledgor(s), and require, at the sole discretion of the Pledgee, such Pledgor(s) to immediately perform within the extent as permitted by the PRC laws all obligations under the Loan Agreements, Services Agreement and/or Equity Option Agreements, including without limitation to make full payment of the outstanding amounts payable and other payables thereunder, or to dispose of the Pledge in accordance with Section 7 herein.

7. Exercise of the Rights of the Pledge

7.1 The Pledgors shall not transfer or assign the Pledged Collateral without prior written approval from the Pledgee prior to the full settlement and fulfillment of the Secured Obligations.

7.2 The Pledgee shall give a Notice of Default to the Pledgors when exercising its rights of pledge.

7.3 Subject to Section 6.3 hereof, the Pledgee may exercise the right to dispose of the Pledge at any time when the Pledgee gives a Notice of Default in accordance with Section 6.3 or thereafter.

7.4 The Pledgee is entitled to have priority in receiving payment by the evaluation or proceeds from the auction or sale of whole or part of the Pledged Collateral in accordance with legal procedures until the outstanding Secured Obligation or other monetary obligations payable by the Pledgors and/or Beijing Qu Na is fully paid, repaid or otherwise settled.

7.5 The Pledgors may not hinder the Pledgee from disposing the Pledge in accordance with this Agreement and shall give necessary assistance for the Pledgee to realize its Pledge.

8. Transfer or Assignment

8.1 The Pledgors may not donate or transfer their rights and obligations hereunder to any third party without prior written consent from the Pledgee.

8.2 This Agreement shall be binding upon the Pledgors and each of their successors and be effective to the Pledgee and its successor and assignee.

8.3 The Pledgee may transfer or assign all Secured Obligations and its right to the Pledge to any third party at any time. In this case, the assignee shall enjoy and undertake the same rights and obligations hereunder of the Pledgee as if the assignee is a party hereto. When the Pledgee transfers or assigns the Secured Obligations and its rights to the Pledge, at the request of the Pledgee, the Pledgors shall execute the relevant agreements and/or documents with respect to such transfer or assignment.

8.4 After a change to the Pledgee resulting from a transfer or assignment, the new parties to the pledge shall re-execute an equity interest pledge agreement.

9. Force Majeure

9.1 If this Agreement is delayed in or prevented from performing in the Event of Force Majeure ("**Event of Force Majeure**"), only within the limitation of such delay or prevention, the affected Party is absolved from any liability under this Agreement. Force Majeure, which includes acts of governments, acts of nature, fire, explosion, geographic change, flood, earthquake, tide, lightning, war, means any unforeseen events beyond the prevented Party's reasonable control and cannot be prevented with reasonable care. However, any shortage of credit, capital or finance shall not be regarded as an event beyond a Party's reasonable control. The Party affected by Force Majeure who claims for exemption from performing any obligations under this Agreement or this Section shall notify the other parties of such exemption promptly and advice the other parties of the steps to be taken for completion of the performance.

9.2 The Party affected by Force Majeure shall not assume any liability under this Agreement. However, subject to the Party affected by Force Majeure having taken its reasonable and practicable efforts to perform this Agreement, the Party claiming for exemption of the liabilities may only be exempted from performing such liability as within limitation of the part performance delayed or prevented by Force Majeure. Once causes for such exemption of liabilities are rectified and remedied, each Party agrees to resume performance of this Agreement with best efforts.

10. Applicable Law and Dispute Resolution

10.1 The execution, validity, performance and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

10.2 The Parties shall strive to settle any dispute arising from the interpretation or performance hereof through friendly consultation. In case no settlement can be reached through consultation, each Party may submit such matter to China International Economic and Trade Arbitration Commission ("**CIETAC**") for arbitration. The arbitration shall follow the then current rules of CIETAC, and the arbitration proceedings shall be conducted in Chinese and shall take place in Beijing. The arbitration award shall be final and binding upon the Parties. This section shall not be affected by the termination or elimination of this Agreement.

10.3 In case of any disputes arising out of the interpretation and performance of this Agreement or any pending arbitration of such dispute, the Parties shall continue to perform its obligations under this Agreement, except for the matters in dispute.

11. Notice

Any notice or correspondence, which is given by the Party as stipulated hereunder, shall be in Chinese- English bilingual writing and delivered in person or by prepaid registered mail or recognized express service, or be transmitted by telex or facsimile to the following addresses:

Pledgee: Beijing Qunar Software Technology Co., Ltd.

Address: Room 1701-1707, 1710-1720,17th Floor, Viva Plaza, Building 18, Yard 29, Suzhou Street, Haidian District Beijing, China
Fax: 010-57603001

Pledgor: WANG Hui

Address: Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai, China

Pledgor: CAO Hui

Address: Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai, China

12. Appendices

The appendices to this Agreement shall constitute an integral part hereof.

13. Waiver

The Pledgee's non-exercise or delay in exercise of any rights, remedies, authorization or privileges hereunder shall not be deemed as the waiver of such rights, remedies, authorization or privileges. Any single or partial exercise of the rights, remedies, authorization and privileges shall not exclude the Pledgee from exercising any other rights, remedies, authorization and privileges. The rights, remedies, authorization and privileges hereunder are accumulative and may not exclude the application of any other rights, remedies, authorization and privileges stipulated by laws.

14. Miscellaneous

14.1 Any amendments, modifications or supplements to this Agreement shall be in writing and come into effect upon being executed and sealed by the Parties hereto.

14.2 In case any terms and stipulations in this Agreement are regarded as illegal or cannot be performed in accordance with the applicable law, such terms and stipulations shall be deemed to be ineffective and not enforceable within the scope governed by such applicable law, and the remaining stipulations will remain effective. The invalidity of this Agreement shall not affect the validity and enforceability of the original agreement(s).

IN WITNESS WHEREOF, the parties have duly executed this agreement as of the date first written above.

[The remainder of this page has been left intentionally blank]

Pledgee: Beijing Qunar Software Technology Co., Ltd.

(Company Seal)

Signature:
Name: Wei Fang
Title: Legal Representative

Pledgors:

/s/ Wang Hui
Wang Hui

/s/ Cao Hui
Cao Hui

Appendix:

Register of Shareholders

Of

Beijing Qu Na Information Technology Co., Ltd.

Date: March 23, 2016

Name of Shareholders	Contribution Amount and Share Proportion	Shareholder Information	Notes
CAO Hui	RMB 6,600,000 60%	Nationality: China ID: 310110197908230424 Address: Room 1802, No. 6 of 710 Nong, Caoyang Road, Putuo District, Shanghai	According to the Equity Interest Pledge Agreement entered into by Cao Hui, Wang Hui and Beijing Qunar Software Technology Co., Ltd. ("**Qunar Software**") on March 23, 2016, Cao Hui agrees to pledge 60% of equity interest in Beijing Qu Na Information Technology Co., Ltd. ("**Qunar Information**") held by her to Qunar Software in accordance with the terms and conditions of the Equity Interest Pledge Agreement.
WANG Hui	RMB 4,400,000 40%	Nationality: China ID: 310110197312240832 Address: Room 603, No. 4 of 57 Nong, Xuanhua Road, Changning District, Shanghai	According to the Equity Interest Pledge Agreement entered into by Cao Hui, Wang Hui and Qunar Software on March 23, 2016, Wang Hui agrees to pledge 40% of equity interest in Qunar Information held by him to Qunar Software in accordance with the terms and conditions of the Equity Interest Pledge Agreement.

Exhibit 4.22

Dated: March 23, 2016

POWER OF ATTORNEY

I, Wang Hui (ID card no. 310110197312240832) hereby irrevocably authorize any individual appointed, in writing, by Qunar Cayman Islands Limited, its successors, or any of its designated entities ("**Authorizee**") as my sole attorney to singly exercise the following powers and rights during the term of this Power of Attorney ("**POA**"):

I hereby authorize and designate the Authorizee to vote on my behalf at the shareholders' meetings of Beijing Qu Na Information Technology Co., Ltd. (北京趣拿信息技术有限公司, "**Beijing Qunar**") and to exercise full power and rights as a shareholder of Beijing Qunar as granted to myself by laws and under Beijing Qunar's Articles of Association and other constituent documents. Such power and rights as a shareholder include, but are not limited to, the right to propose the holding of the shareholders' meetings of Beijing Qunar, to accept any notification(s) regarding the holding and discussion procedures for the shareholders' meetings, to attend the shareholders' meetings of Beijing Qunar and to exercise full voting rights (*i.e.,* being my authorized representative at shareholders' meetings, designating and appointing an executive director, directors to the Board and the general manager, determining profit distributions, etc.), and to sell or transfer any or all of my equity interests in Beijing Qunar.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and the applicable laws.

This POA shall take retroactive effect upon the completion of all formalities required for changes to Beijing Qunar's shareholders, Wang Hui and Cao Hui with the competent industrial and commercial administrations, and shall remain in full force and effect until Wang Hui and Cao Hui don't hold any equity interest in Beijing Qunar anymore.

By: /s/ Wang Hui
Wang Hui

Exhibit 4.23

Dated: March 23, 2016

POWER OF ATTORNEY

I, Cao Hui (ID card no. 310110197908230424) hereby irrevocably authorize any individual appointed, in writing, by Qunar Cayman Islands Limited, its successors, or any of its designated entities ("**Authorizee**") as my sole attorney to singly exercise the following powers and rights during the term of this Power of Attorney ("**POA**"):

I hereby authorize and designate the Authorizee to vote on my behalf at the shareholders' meetings of Beijing Qu Na Information Technology Co., Ltd. (北京趣拿信息技术有限公司, "**Beijing Qunar**") and to exercise full power and rights as a shareholder of Beijing Qunar as granted to myself by laws and under Beijing Qunar's Articles of Association and other constituent documents. Such power and rights as a shareholder include, but are not limited to, the right to propose the holding of the shareholders' meetings of Beijing Qunar, to accept any notification(s) regarding the holding and discussion procedures for the shareholders' meetings, to attend the shareholders' meetings of Beijing Qunar and to exercise full voting rights (*i.e.,* being my authorized representative at shareholders' meetings, designating and appointing an executive director, directors to the Board and the general manager, determining profit distributions, etc.), and to sell or transfer any or all of my equity interests in Beijing Qunar.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and the applicable laws.

This POA shall take retroactive effect upon the completion of all formalities required for changes to Beijing Qunar's shareholders, Wang Hui and Cao Hui with the competent industrial and commercial administrations, and shall remain in full force and effect until Wang Hui and Cao Hui don't hold any equity interest in Beijing Qunar anymore.

By: /s/ Cao Hui
Cao Hui

Exhibit 8.1

Significant Subsidiaries of the Registrant

	Place of Incorporation
Subsidiaries	
Queen's Road Travel Information Limited	Hong Kong
Beijing Qunar Software Technology Company Limited	People's Republic of China
Shanghai Qianlima Network Technology Co., Ltd.	People's Republic of China
Variable Interest Entity	
Qunar.com Beijing Information Technology Company Limited	People's Republic of China
Subsidiaries of Variable Interest Entity	
Beijing Jiaxin Haoyuan Information Technology Company Ltd.	People's Republic of China
Qingdao Yi Lu Tong Xing International Travel Co., Ltd.	People's Republic of China
Beijing Jin Du Yuan You Information Technology Company Ltd.	People's Republic of China
Shenzhen ZhongChengTai Insurance Brokerage Co., Ltd.	People's Republic of China
Qunar.com (Tianjin) International Travel Agency Co., Ltd.	People's Republic of China

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Zhenyu Chen, certify that:

1. I have reviewed this annual report on Form 20-F of Qunar Cayman Islands Limited (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 14, 2016

By: /s/ Zhenyu Chen
Name: Zhenyu Chen
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Xiaolu Zhu, certify that:

1. I have reviewed this annual report on Form 20-F of Qunar Cayman Islands Limited (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 14, 2016

By: /s/ Xiaolu Zhu
Name: Xiaolu Zhu
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Qunar Cayman Islands Limited (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Zhenyu Chen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2016

By: /s/ Zhenyu Chen
Name: Zhenyu Chen
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Qunar Cayman Islands Limited (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Xiaolu Zhu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2016

By: /s/ Xiaolu Zhu
Name: Xiaolu Zhu
Title: Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-193539) pertaining to the Qunar Cayman Islands Limited Amended and Restated 2007 Share Plan of our reports dated April 14, 2016, with respect to the consolidated financial statements of Qunar Cayman Islands Limited and the effectiveness of internal control over financial reporting of Qunar Cayman Islands Limited, included in its Annual Report (Form 20-F) for the year ended December 31, 2015, filed with the Securities and Exchange Commission.

/s/ Ernst & Young Hua Ming LLP
Shanghai, the People's Republic of China
April 14, 2016

Exhibit 15.2

TransAsia Lawyers
Advisors on PRC & International Law
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April 14, 2016

Qunar Cayman Islands Limited
17th Floor, Viva Plaza, Building 18, Yard 29,
Suzhou Street, Haidian District
Beijing 100080
The People's Republic of China

Ladies and Gentlemen,

We consent to the reference to our firm under the captions of "Item 3.D—Risk Factors" in Qunar Cayman Islands Limited's annual report on Form 20-F for the year ended December 31, 2015, which will be filed with the Securities and Exchange Commission in the month of April 2016.

Yours faithfully,

/s/ TransAsia Lawyers